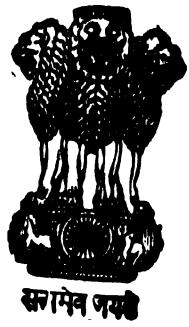

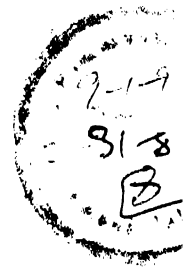

PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

VOLUME VII, 1951

(2nd April to 16th May, 1951)

ThirdS ession (Second Part)

of the

PARLIAMENT OF INDIA

1951

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CORRIGENDA

In the Parliamentary Debates (Part I—Questions and Answers) Third Session of Parliament (Second Part), 1951,—

In Volume VII—

1. No. 1, dated the 2nd April, 1951,—

(i) कालम २७८२, पंक्ति ३, "हम" के स्थान पर "इस" पढ़ें ।

(ii) کالم ۲۷۸۳ نیچے سے سطر ۸ میں "بھی" کے بجائے "اسی" پڑھیں -

(iii) Col. 2807, line 30 *for* "Archaeological" *read* "archaeological" and line 5 from bottom *for* "Ttransport" *read* "Transport".

2. No. 7, dated the 10th April, 1951,—

(i) कालम ३०३२, नीचे से पंक्ति ४ "वगैहर" के स्थान पर "वगैरह" पढ़ें ।

(ii) Col. 3055, lines 16 and 17 *for* the word "Consituation" *read* "Constitution".

3. No. 8, dated the 11th April, 1951,—

कालम ३१२५, नीचे से पंक्ति ९ "याणिज्य" के स्थान पर "वाणिज्य" पढ़ें ।

4. No. 11, dated the 16th April, 1951,—

(i) Col. 3239, line 27 from bottom *for* "ment" *read* "meant".

(ii) Col. 3244, line 23 *insert* "of" after the words "abolition of any".

(iii) कालम ३२५१, नीचे से पंक्ति २ "श्री जागडे" के स्थान पर "श्री खापर्डे" पढ़ें ।

(iv) Col. 3254, line 14 *for* "yards" *read* "years".

5. No. 12, dated the 17th April, 1951,—

Col. 3267, line 24 *for* "clerllage" *read* "clerkage".

6. No. 13, dated the 18th April, 1951,—

(i) Cols. 3301 & 3302, lines 22 from bottom and 24 respectively *for* the words "statutary" and "statutory" *read* "statuary".

(ii) Col. 3330, line 21 *for* "landing" *read* "landed".

(iii) Col. 3340, lines 16 and 18 *for* "manzas" *read* "mouzas".

7. No. 15, dated the 20th April, 1951,—

Col. 3402, line 2 from bottom *for* "Curch" *read* "Church".

8. No. 16, dated the 21st April, 1951,—

Col. 3447, *for* the existing line 24 *substitute* "ship Scholarship ; and "

9. No. 17, dated the 23rd April, 1951,—

(i) Col. 3478, line 27 from bottom *for* "so" *read* "of".

(ii) Col. 3491, between lines 4 and 5 from bottom *insert* new line "and (iii) Raw materials during the period October 1950 to February".

10. No. 19, dated the 25th April, 1951,—

(i) Col. 3548, *for* the existing line 20 from bottom *substitute* "satisfaction of Members. It is the".

(ii) Col. 3556 for the existing line 1 from bottom *substitute* "Indian Rupee or Sterling ?" and *for* line 26 from bottom *substitute* "meet for the first session. Accord"

کالم ۳۵۹۳ نیچے سے سطر ۱۱ "طور پر" کے بجائے "طور پر" پڑھیں -

11. No. 20, dated the 26th April, 1951,—

(i) Col. 3621, line 7 from bottom *for* the figures "1,420" *read* "41,420".

(ii) Col. 3626, line 1 *for* "condeming" *read* "condemning".

12. No. 22, dated the 28th April, 1951,—

Col. 3687, line 26 *for* "complete" *read* "compete".

13. No. 26, dated the 3rd May 1951,—

Col. 3881 *for* the existing line 17 from bottom *substitute* "and Supply (Shri Gadgil) :(a) 105".

14. No. 27, dated the 4th May, 1951,—

Col. 3925, line 25 from bottom *for* "fireman" *read* "firman".

15. No. 30, dated the 8th May 1951,—

(i) Col. 4041, for the existing line 15 from bottom *substitute* "(c) No, as none is considered neces-".

(ii) Col. 4042, line 31 *insert* "such" before the word "circums-".

16. No. 31, dated the 9th May, 1951,—

Col. 4087, line 21 *for* "Rama" *read* "Rana".

17. No. 32, dated the 10th May, 1951,—

(i) Col. 4124, line 20 from bottom *for* "member" *read* "number".

(ii) Col. 4129, line 21 *for* the words "having come" *read* "coming out of", lines 6 & 8 from bottom *for* the figure "1.4.51" *read* "15.4.51", and *for* "15.4.51" *read* "1.4.51" respectively.

(iii) कालम ४१३३, पंक्ति १२ "नियम" के स्थात पर "नियंत्रणों" पढ़ें ।

18. No. 33, dated the 11th May, 1951,—

(i) Col. 4150, line 10 from bottom *for* "of" *read* "to".

(ii) Col. 4161, line 17 *for* the figure "85" *read* "185".

(iii) Col. 4162, line 24 *for* "in view of" *read* "in lieu of".

19. No. 36, dated the 15th May, 1951,—

(i) Col. 4270, line 30 *for* "pait-mixture" *read* "paint-mixture"

(ii) कालम ४२८८, पंक्ति २८, "*२९५" के स्थान पर "२९५" पढ़ें ।

(iii) कालम ४२८९, नीचे से पंक्ति १९, "चद्य" के स्थान पर "खाद्य" पढ़ें।

The Speaker

The Honourable Shri G. V. Mavalankar.

The Deputy-Speaker

Shri M. Ananthasayanam Ayyangar.

Panel of Chairman

Pandit Thakur Das Bhargava.

Shrimati G. Durgabai.

Shri Prabhu Dayal Himatsingka.

Sardar Hukam Singh.

Shri Manilal Chaturbhai Shah.

Secretary

Shri M. N. Kaul, Barrister-at-Law.

Assistants of the Secretary

Shri A. J. M. Atkinson.

Shri N. C. Nandi.

Shri D. N. Majumdar.

Shri C. V. Narayana Rao.

GOVERNMENT OF INDIA

Members of the Cabinet

Prime Minister and Minister of External Affairs—The Honourable Shri Jawaharlal Nehru.

Deputy Prime Minister and Minister of Home Affairs and the States—The Honourable Sardar Vallabhbhai Patel.

Minister of Education—The Honourable Maulana Abul Kalam Azad.

Minister Without Portfolio—The Honourable Shri C. Rajagopalachari.

Minister of Defence—The Honourable Sardar Baldev Singh.

Minister of Labour—The Honourable Shri Jagjivan Ram.

Minister of Communications—The Honourable Shri Rafi Ahmad Kidwai.

Minister of Health—The Honourable Rajkumari Amrit Kaur.

Minister of Law—The Honourable Dr. B. R. Ambedkar.

Minister of Works, Mines and Power—The Honourable Shri N. V. Gadgil.

Minister of Transport and Railways—The Honourable Shri N. Gopalaswami Ayyangar.

Minister of Industry and Supply—The Honourable Shri Hare Krushna Mahtab.

Minister of Food and Agriculture—The Honourable Shri K. M. Munshi.

Minister of Commerce—The Honourable Shri Sri Prakasa.

Minister of Finance—The Honourable Shri Chintaman Dwarkanath Deshmukh.

Ministers not in the Cabinet.

Minister for the purposes of agreement between the Prime Ministers of India and Pakistan of the 8th April, 1950—The Honourable Shri C. C. Biswas.

Minister of State for Transport and Railways—The Honourable Shri K. Santhanam.

Minister of State for Information and Broadcasting—The Honourable Shri R. R. Diwakar.

Minister of State for Parliamentary Affairs—The Honourable Shri Satyanarayan Sinha.

Minister of State for Rehabilitation—The Honourable Shri Ajit Prasad Jain.

Deputy Minister of Communications—Shri Khurshed Lal.

Deputy Minister of External Affairs—Dr. B. V. Keskar.

Deputy Minister of Commerce—Shri Dattatraya Parashuram Karmarkar.

Deputy Minister of Defence—Major General Himatsinhji.

Deputy Minister of Works, Mines and Power—Shri S. N. Buragohain.

Deputy Minister of Food and Agriculture—Shri M. Thiruma'a Rao.

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THE

PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

PARLIAMENT OF INDIA

Friday, 27th April, 1951

The House met at Half-past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

BANANA CULTIVATION

*3568. **Saikh Mohiuddin:** Will the Minister of **Food and Agriculture** be pleased to state the total acreage of land under Banana Cultivation in India?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): No regular statistics of the acreage under banana cultivation in India are available from the State Governments. As a result of a special enquiry conducted in respect of 1948-49 however, it was estimated that the area under bananas in India was about 350,308 acres.

Saikh Mohiuddin: In view of the fact that banana is one of the most important items of food, do Government intend to popularise its cultivation?

Shri Thirumala Rao: Yes, Sir. The I.C.A.R. has sanctioned a scheme in Bihar with a view to developing banana cultivation. This scheme has been in operation for nearly 15 years.

Saikh Mohiuddin: Is it a fact that the cultivation of Malbhog and Alpana varieties of banana is decreasing in North Bihar due to root-rot and Wilt diseases?

Shri Thirumala Rao: I want notice.

Shri S. N. Das: Has any research been made to improve the cultivation of banana?

Shri Thirumala Rao: The I.C.A.R. has sanctioned a bigger and co-ordinated scheme for improvement of bananas in Madras, Bombay, West Bengal etc., embracing the evolution of better varieties and also of mycological and manurial research.

Mr. Speaker: Was this sanctioned as a result of any research? That is the point. Presumably, there was research.

Shri Thirumala Rao: The sanction has been made in several stations.

POTATO COMPETITION

*3570. **Shri Sonavane:** (a) Will the Minister of **Food and Agriculture** be pleased to state whether it is a fact that Potato Competition for Delhi Bungalows was organised by Government in December 1950?

(b) If so, how many bungalow occupants entered the competition out of the total number of bungalows?

(c) What were the results of the competition and the names of competitors who won the prizes?

(d) What was the area brought under potato cultivation and what was the total yield thereof?

(e) How many Members of Parliament, Ministers and officials contested the competition?

(f) Is there any intention to hold the competition this year also?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) Yes.

(b) 43 bungalow occupants entered the competition out of a total of 842 Government bungalows in Delhi.

(c) The first three winners in order of merit were:

(i) Shri K. L. Panjabi

(ii) Vice Admiral Sir Edward Parry, and

(iii) Mr. Mekechnie.

(d) The minimum area required for competition was 400 square feet in each compound. As nine competitors were selected in a preliminary check-up and winners selected from

these nine after digging a representative portion of the area, the total area and yield are not known.

(e) 4 Ministers, 38 officials and the wife of a Member of Parliament.

(f) No decision has been taken as yet.

Shri Sonavane: May I know whether the produce was taken over by Government and if so, what was the amount realised?

Shri Thirumala Rao: I have no information on the point.

Shri Sonavane: What was the cost to Government involved in this competition and would such healthy competitions be encouraged in the growing of other foodgrains also?

Shri Thirumala Rao: The prizes were given by the President and the Prime Minister to the best growers. The results and the time spent on these competitions do not hold out any encouraging prospect to repeat them.

Pandit Munishwar Datt Upadhyay: What is the average produce per acre?

Shri Thirumala Rao: The first prize was awarded to the gentleman who produced 282 maunds per acre; the second prize was for 239·5 maunds; and the third prize was for 223·5 maunds.

Shri S. N. Das: What was the average cost of cultivation of potatoes?

Mr. Speaker: He has said that he has no information.

Shri Venkataraman: Who got the prizes?

Shri Thirumala Rao: Mr. K. L. Panjabi; Vice Admiral Sir Edward Parry and Mr. Mekechnie.

ADVISERS IN PART B STATES

*3571. **Shri Raj Kanwar:** Will the Minister of **States** be pleased to state:

(a) the names of Part B States in which Advisers are either associated with or form the Ministerial set-up;

(b) their names and the salaries paid to them?

The Minister of States, Transport and Railways (Shri Gopalaswami): (a) Advisers have been associated with the Ministerial set up in the States of Saurashtra, Madhya Bharat, Patiala and East Punjab States Union and Rajasthan. In the last two places, officials were subsequently appointed to the Ministries also.

(b) A statement showing the required information is placed on the Table of the House. [*See* Appendix XXIII, annexure No. 11.]

Shri Raj Kanwar: May I know what is the position of these Advisers *vis a vis* the Ministries to which they are attached? Also, what happens if the advice given by an Adviser is not followed? In that case, does the hon. Minister of States interpose his good offices to find a solution for the deadlock?

Shri Gopalaswami: The answer to the last question is in the affirmative.

Shri Raj Kanwar: Under what Article of the Constitution are Advisers appointed?

Shri Gopalaswami: It is a question of arrangement by the States themselves, but if it comes to quoting some Article I think it is Article 371.

Shri Raj Bahadur: If and when Advisers are associated with the Ministerial set-up, what salaries do they draw and under what Article of the Constitution?

Shri Gopalaswami: The Advisers, when they are attached to State Governments, are paid by those Governments themselves. There is no question of any Article. It is open to a State Government to create any office it likes.

Shri Raj Bahadur: My question is: what salary did they draw when they were Ministers?

Shri Gopalaswami: Ministers appointed from outside to the States concerned are paid by the States themselves. They draw salaries which would certainly not be less than what they are entitled to in the service either of the Centre or of the State from which they are drawn.

Shri Raj Kanwar: Do Government envisage any period in the near future when Advisers will be totally abolished, and if so when?

Shri Gopalaswami: We certainly visualise the time when Advisers will be abolished. The time when such abolition can take place is a matter for decision according to developments in the States themselves.

Shri Raj Kanwar: Are there any Advisers in Part 'C' States?

Shri Gopalaswami: Part 'C' States are administered by the Centre.

Shri Radhelal Vyas: Are these Advisers appointed at the instance of

the States Ministry or at the request of the State Governments?

Shri Gopalaswami: By agreement between the States Ministry and the States Governments.

Shri Sidhva: Are these Advisers like the political agents of the days of the Governor-General?

Mr. Speaker: We are going too much into details. Next Question.

SURVEY OF RAILWAY PROJECTS

*3572. **Shri J. N. Hazarika:** Will the Minister of **Railways** be pleased to state:

(a) whether the following surveys have been completed:

(i) Goalpara-Siju Coal-field Reconnaissance survey;

(ii) Dudhroi-Darrangiri Investigation survey;

(iii) Bongaigaon-Goalpara Brahmaputra Bridge survey;

(iv) Bograkote and Modarihat Section-Strip Contour survey (50 miles);

(v) Patharkandi-Dharamnagar survey (for the extension of the Karimgunge-Kalkalighat Branch of Assam Railway);

(vi) Kumarganj-Balurghat Indian Hill survey (67 miles);

(vii) the survey and boring of proposed Torsa and Gabru Bridges; and

(viii) Investigation survey for a Rail connection to Kalimpong and;

(b) if so, when the respective items of works will be taken up and if not, when they will be completed and worked out?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Surveys for (i), (iv), (v) and (vi) have been completed. The position regarding the remaining items is as follows:

(ii) Engineering survey has been completed. A Traffic survey will be carried out on completion of prospecting work to determine the quality and quantity of coal available in the area.

(iii) Surveys of rail links on either side of Brahmaputra river have been completed. Sub-soil investigations at Jogighopa in connection with the siting of the bridge have been deferred for the present.

(vii) Survey is expected to be completed by 31st May 1951.

(viii) It has been decided to defer this survey for the present.

(b) Reply to this part is covered by the reply to part (a).

Shri J. N. Hazarika: In regard to the survey for the extension of the Karimgunge-Kalkalighat Branch of the Assam Railway, what is the mileage of the proposed extension; what is the expenditure likely to be incurred; and will this be extended up to Agartala?

Shri Santhanam: It had been decided to carry out a traffic and engineering survey for the extension of the Karimgunge-Kalkalighat Branch up to Dharamnagar in Tripura State. The survey has been carried out and the report is under consideration. It will be placed before the Central Board of Transport and if it decides in favour, we shall take the earliest opportunity to begin the project.

Shri J. N. Hazarika: Is it a fact, Sir, that the Bongaigaon-Goalpara Brahmaputra Bridge survey has been abandoned?

Shri Santhanam: As I have already stated the surveys have been carried out and some investigations for the siting of the Bridge have also been carried on. But the financial implications of these lines are rather depressing and we have to consider carefully whether we can proceed with these lines under the present circumstances.

Shri J. N. Hazarika: In his reply during the Railway Budget the hon. Minister stated that this survey had been abandoned, while now it is said that it has been completed. May I know which statement is correct?

Shri Santhanam: I am not able to follow the hon. Member. If he will write to me I will give him detailed information.

Shri Chaliha: May I know whether there is any intention to revive the proposal for the construction of a bridge over the Brahmaputra at Pandu?

Shri Santhanam: The bridge at Pandu will cost Rs. 4 to 5 crores and the other bridge about 2½ crores more. In view of the wagon ferry at Pandu the construction of a bridge is not considered immediately essential, though it is certainly desirable.

CONSTRUCTION OF SHIPS

*3573. **Dr. Ram Subhag Singh:** Will the Minister of **Transport** be pleased to state whether any Indian Shipping Company has given orders for the construction of ships in any Japanese shipyards?

The Minister of State for Transport and Railways (Shri Santhanam): Yes, Sir. Messers. Great Eastern Shipping Co. Ltd., Bombay have placed orders with the Kobe Shipyard and Engine Works, Central Japan Heavy Industries Ltd., Japan for the construction of two cargo vessels.

Dr. Ram Subhag Singh: May I know whether either of the ships has been built?

Shri Santhanam: One ship has been launched; the other will be launched shortly.

Dr. Ram Subhag Singh: May I know the approximate cost and tonnage of the ships.

Shri Santhanam: The two cargo motor vessels are about 2,000 dead weight tons. The cost of one is £.125,000 and of the other £.118,750.

Dr. Ram Subhag Singh: May I know, Sir, whether ship-building in Japan is cheaper than in any other country from where India can get her ships built?

Shri Santhanam: I have not got here the comparative estimates of costs. It depends upon the type of vessel, the make, the time of delivery and so many other factors. Now-a-days shipyards are so much congested that our shipping companies should get their ships from wherever they can.

KANDLA PORT DEVELOPMENT

*3574. **Dr. Ram Subhag Singh:** (a) Will the Minister of **Transport** be pleased to state when the work on the Kandla port development project will begin?

(b) What is the estimated cost of development of that port?

The Minister of State for Transport and Railways (Shri Santhanam): (a) The various surveys and investigations essential for planning the Kandla port project have been completed. Tenders have also been received for the construction of the main harbour works at Kandla and it is expected that the construction work proper would begin sometime in August-September this year.

(b) The cost of the whole Kandla project has not been estimated, but the cost of the main harbour works on the basis of the tenders just received varies from Rs. 3·64 crores to Rs. 8·15 crores. The cost of construction of roads and bridges within port limits, office and residential accommodation for the officers and staff, purchase of essential equipment, the cost of establishment etc., are all roughly estimated to amount to a further sum of Rs. 3 to Rs. 4 crores.

Dr. Ram Subhag Singh: May I know, Sir, when the Kandla Port Development Project is expected to be completed?

Shri Santhanam: The project consists of various stages and it may take a period of ten to fifteen years for all the stages to be completed. Also, it depends upon the way in which traffic develops.

The first stage is expected to be completed in about two years' time.

Shri Chaliha: May I know where the town planning headquarters of Kandla Port is located—whether it is at Delhi?

Shri Santhanam: It is situated at Kandla.

Sardar Hukam Singh: Was the allotment of one crore made for 1950-51 actually spent during the year?

Shri Santhanam: Most of it was spent and the balance will be spent along with the new allotment during the course of the current year.

Shri A. C. Guha: The hon. Minister stated that no actual estimate was made of the Port Project. Are we to understand that the work was undertaken without any estimate?

Shri Santhanam: As I stated we made estimates for the first stage. The other things have to be estimated only when the first stage is completed and we decided to go to the second stage. It is no use estimating for the whole project which may take ten or fifteen years at the present level of costs. We have made estimates for the first stage which I have given.

Shri A. C. Guha: Are we then to understand that Government have no idea as to the total cost that may be incurred for the completion of the whole scheme?

Shri Santhanam: Sir, we have estimated for the first stage Rs. 984 lakhs, which includes office buildings, harbour works, etc. When I said that we

have not made estimates, I referred to the entire project including the cost of future development.

Sardar Hukam Singh: May I know whether the tenders received by the 16th April, the extended date, have been examined so far?

Shri Santhanam: We have got the services of a German expert to scrutinise the tenders which includes the designs, and give his advice. They are being scrutinised.

Shri Sidhva: May I know how many docks are included in the first stage?

Shri Santhanam: A quay 3,000 ft. long and 20 ft. wide consisting of 4 cargo berths and one passenger-cum-cargo berth, dual gauge railway lines crane track, open space for handling goods, conduits for power cables etc., three transit sheds with total floor area of 1,82,000 sq. ft./four double storeyed warehouses with total floor area of 4,80,000 sq. ft. 75 ft. behind the transit sheds, a tidal basin for the use of lighters and country craft with rail tracks, transit sheds etc., a heavy lift berth for a gantry crane capable of lifting 60 tons, a reinforced concrete floating dry dock, and conversion of the existing jetty into an oil jetty.

I hope my hon. friend will be satisfied with these details.

Shri Shankaraiya: May I know whether any steps have been taken by having an estimate prepared for the development of other ports along with the Kandla port as per the recommendations of the Port Development Committee?

Shri Santhanam: We have accepted only the recommendation to develop Kandla as a major port. The other recommendation regarding another major port on the West Coast we have not accepted and we have postponed the consideration for some years because we have not got the funds to proceed with it.

Dr. Ram Subhag Singh: May I know who is in charge of the Kandla development project and where his headquarters is located?

Shri Santhanam: There is a Development Commissioner who is in charge of this Kandla port and all the allied works, and his headquarters is at Kandla.

HIGHWAY ROBBERY OF MAILS

*3575. **Shri S. N. Das:** Will the Minister of **Communications** be pleased to state:

(a) the total number of cases of highway robbery of mails during the year 1950-51; and

(b) the total loss sustained by the Department, on that account?

The Minister of Communications (Shri Kidwai): (a) 19.

(b) Rs. 13,747/0/1.

Shri S. N. Das: May I know what was the number of the officials who were assaulted and injured in these robberies?

Shri Kidwai: I am afraid I have not got any information about assaults. The question was about highway robbery and I have given the figures.

Shri S. N. Das: May I know whether Government propose to arm such officials who are in danger of being robbed?

Shri Kidwai: No.

Pandit Munishwar Datt Upadhyay: Was any portion of the money robbed recovered later on?

Shri Kidwai: The cases are under investigation by the police.

Shri Sidhva: May I know whether this loss includes cash consisting of money orders and insurance or something else?

Shri Kidwai: It is a long list, Sir.

Shri Sidhva: Chiefly?

Shri Kidwai: It was chiefly cash.

Shri S. N. Das: What is the number of those prosecuted and convicted?

Shri Kidwai: The cases have been handed over to the police. I have no further information.

DIESEL ENGINE BUSES

*3576. **Shri Jnani Ram:** Will the Minister of **Transport** be pleased to state:

(a) the number of Diesel buses purchased by the Delhi Transport Service in the year 1950-51;

(b) the amount spent for the same; and

(c) the savings of cost of propulsion effected due to Diesel engines?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Out of 40 Diesel engined vehicles ordered in 1949-50, 16 buses were recently put into service by the Delhi Road Transport Authority during 1950-51.

(b) The estimated expenditure on the purchase of the 40 buses is Rs. 18·36 lakhs.

(c) The estimated saving is two annas per bus mile.

Shri Jnani Ram: May I know if any more buses are being purchased this year?

Shri Santhanam: I have said that out of the forty buses purchased, sixteen have been put into service. As regards the remaining twentyfour the bodies are being built and they will be put in commission. We are also ordering further buses.

Shri Jnani Ram: May I know whether there has been any reduction in fare in view of the saving?

Shri Santhanam: The Diesel buses have no direct connection with the reduction in fares.

Dr. Deshmukh: Is it the policy of the Government to utilise Diesel buses more and more?

Shri Santhanam: Certainly when we get more buses we will use them more and more.

Dr. Deshmukh: My question is whether there is any attempt to replace petrol buses more and more by diesel buses?

Shri Santhanam: Yes, Sir, that is the idea because they are cheaper in running.

Shri A. C. Guha: What is the average life of the buses running here?

Shri Santhanam: The average life of the petrol bus is considered to be four years and that of the diesel bus twelve years.

POSTAL FACILITIES IN TRIPURA AND MANIPUR

*3577. **Shri A. C. Guha:** Will the Minister of **Communications** be pleased to state:

(a) whether Government are aware that in many places in Tripura and Manipur, postal facilities are almost non-available;

(b) whether it is a fact that, in many places in Tripura, people have to take help of Pakistan post offices for postal communications; and

(c) whether Government have any plan to connect the territories with usual and normal postal communications?

The Minister of Communications (Shri Kidwai): (a) No. The policy of the Government is to open post offices in villages with a population of 2,000 and above. All places with population of 2,000 in these States have already been provided with post offices.

(b) Prior to 1948, people living in certain villages bordering Pakistan used Pakistan post offices for postal communications but since then 12 new post offices have been opened in Tripura and there is no such complaint now.

(c) Normal postal facilities are available between Manipur and the rest of India.

In the case of Tripura State all classes of mails between Tripura and the rest of India are conveyed by air without any air fee.

Arrangements for the direct conveyance of mails between the few outlying stations in Tripura and Agartala now exchanged through the Pakistan postal services under the normal international procedure, will be made as soon as feeder roads connecting with the proposed Assam-Agartala trunk road are opened.

Shri A. C. Guha: May I know the number of post offices in the two States?

Shri Kidwai: I will require notice of that.

Shri A C. Guha: What is the average distance between the post offices in this area?

Shri Kidwai: That information is also not with me.

Dr. Ram Subhag Singh: In view of the fact that there are areas in our country where for miles and miles together there are no villages having a population of about 2,000, may I know what is the policy of the Government in regard to opening post offices in those areas?

Shri Kidwai: But wherever a post office has been considered necessary, it has been opened.

Mr. Speaker: Questions on this matter were answered long before in this House. The hon. Member's question is that in cases where villages are situated at long distances, have Government any plan so that, there may be a central post office to serve a surrounding reasonable area.

Shri Kidwai: That is the case everywhere, that the post office serves the surrounding area.

Dr. Ram Subhag Singh: Where there is no village of 2,000 population?

Mr. Speaker: That is exactly the point covered.

Shri A. C. Guha: He has stated that in the rural areas, only villages having a population of 2,000 will get a post office. I think in Manipur and Tripura—and there are many other places like that—it will be difficult to find such villages.

Mr. Speaker: Let us not go by thinking.

Shri A. C. Guha: I want to know what is the policy of the Government with regard to such places.

Shri Kidwai: It is to serve every village as far as possible.

Shri J. N. Hazarika May I know whether the letters and parcels passing through Pakistan are subject to censorship and customs restrictions?

Shri Kidwai: No.

Pandit Munishwar Datt Upadhyay: From what post office is the Agartala-Ramgarh area served?

Shri Kidwai: Agartala itself is a post office.

TELEPHONES AT TIRUCHIRAPALLI (MADRAS)

*3578. **Dr. V. Subramaniam:** (a) Will the Minister of **Communications** be pleased to state the total number of telephones at Tiruchirapalli (Madras)?

(b) How many were installed in 1949 and 1950?

(c) Have the system of "Own Your Own Telephone" been extended to Tiruchirapalli and if so, how many were installed in the year 1950 under that category?

(d) Is there any Telephone Advisory Body for the District of Tiruchirapalli?

(e) How many times did they meet to consider the applications made to them in the years 1948, 1949 and 1950?

(f) What is the number of applications pending for sanction and how many connections were given out of the sanctioned for the years 1948, 1949 and 1950?

The Minister of Communications (Shri Kidwai): (a) to (f). A statement is placed on the Table of the House. [*See* Appendix XXIII, annexure No. 12.]

Dr. V. Subramaniam: It is stated in the statement that out of the sanctioned telephone connections only one private and seven Government connections remain to be provided and also that the delay is due to the required stores for these long lines not having been received. Is it for the one private conenction and the seven Government connections that the materials were not supplied or for the 151 connections still remaining?

Shri Kidwai: It is not that 151 connections still remain. A large number of telephones were sanctioned by the Advisory Committee. Of them only eight remain unprovided—one private and seven Government—and they will soon be provided.

Dr. V. Subramaniam: Is it a fact that the stores—telephones and cables—set apart for the Madras State were not supplied to the Madras State for the reason that railway wagons were not available to transport them from Calcutta?

Shri Kidwai: That is correct. But now arrangements have been made to send it by steamer.

Dr. V. Subramaniam: May I know the number of applications received in 1951?

Shri Kidwai: It is stated in the statement a copy of which the hon. Member has in his hands.

Dr. V. Subramaniam: It is only up to 1950. I want for 1951.

Shri Kidwai: I have no information as to how many applications have been presented in the course of the last few days.

WOMEN TELEPHONE OPERATORS

*3579. **Shri Sidhva:** (a) Will the Minister of **Communications** be pleased to state the number of women operators employed in the Delhi Telephone Exchange?

(b) What are their hours of duty?

(c) How many of the operators are employed during day?

(d) Is it a fact that a proposal to engage some of them on night duty is pending before Government and if so, why?

The Minister of Communications (Shri Kidwai): (a) 144.

(b) 45 hours per week, including meal relief, between 6 A.M. and 8-30 P.M.

(c) All the girl and women operators are employed at present on day duty which varies from 6 A.M. to 8-30 P.M.

(d) It has been decided that the Delhi Trunk Exchange should be staffed entirely by women operators. When this decision is implemented, there will be only women operators

on duty in that exchange both during day and during night.

Shri Sidhva: May I know what is the object of engaging the girls on night duty? Is it on account of more efficiency shown by them than the men?

Shri Kidwai: Yes. They are found to be more efficient operators than the men.

Shri Sidhva: May I know when will this new scheme come into operation?

Shri Kidwai: There is no new scheme.

Shri Sidhva: I refer to this night duty.

Shri Kidwai: As soon as sufficient staff has been recruited and trained.

Sardar Sochet Singh: Is it considered very desirable to put more efficient hands on night duty when the traffic is less?

Shri Kidwai: Already in the day time the girl operators are on duty. It is proposed to extend their services to night duties also.

RAIL-ROAD CO-ORDINATION SCHEME

*3583. **Dr. M. V. Gangadhara Siva:** Will the Minister of **Transport** be pleased to state:

(a) at what places and for what distances road services are opened by the different railway administrations in India under the Rail-Road Co-ordination Scheme; and

(b) whether there is any programme of extension of this Scheme?

The Minister of State for Transport and Railways (Shri Santhanam): (a) The Railways are not running any bus services of their own for hire. Presumably, the hon. Member has in mind the co-ordination services run by certain State Road undertakings in some of which Railways have financial interest.

(b) Does not arise.

Dr. M. V. Gangadhara Siva: May I know whether any scheme is contemplated for extending the scheme in Rayalaseema, in Madras State?

Shri Santhanam: We do not run any service and so there is no question of extension.

Pandit M. B. Bhargava: May I know whether the Government has got any rail-road co-ordination scheme so far as Part 'C' States are concerned?

Shri Santhanam: Some of the States are already running their State services and in others, there are various proposals at various stages.

Mr. Speaker: He refers to Part 'C' States.

Shri Santhanam: I am referring only to Part 'C' States.

COLLEGE FOR TRAINING AIR PILOTS

*3584. **Dr. M. V. Gangadhara Siva:** (a) Will the Minister of **Communications** be pleased to state whether there is any school or college for training air pilots and ground engineers and officers for administrative posts?

(b) If so, where is it located and how many students have passed these courses during the years 1949-51?

(c) Are any scholarships given for this class of training?

(d) Have Government any plan for the expansion of this College and for opening new Colleges at other centres in India and if so, in what places?

The Minister of Communications (Shri Kidwai): (a) Yes. Training in flying is provided by the Flying Clubs and also at the Civil Aviation Training Centre Allahabad. The Centre provides training in ground engineering also.

Training in Aeronautical Communications, Air Traffic Control and Aerodrome Administration is also provided at the Centre but only to officials of the Civil Aviation Department.

(b) I lay on the Table a statement giving the required information. [*See* Appendix XXIII, annexure No. 13.]

(c) No scholarships are given but the Central Government meet three-fourths of the cost of training provided at the Centre and at the Flying Clubs so that pupils are charged only one-fourth of the actual cost of training.

(d) No, but Government are considering the opening of Flying Clubs in Rajasthan and Assam.

Dr. M. V. Gangadhara Siva: May I know what is the expenditure incurred? Does it bear any relation to the expenditure warranted by the importance of this problem.

Shri Kidwai: Some people think that we are spending too much on these Flying Schools and Flying Clubs. Others think that the subject is important enough to warrant additional expenditure.

Dr. M. V. Gangadhara Siva: May I know how many officers have been sent abroad for training and at which places are they trained?

Shri Kidwai: I have not got the information before me. Only three days' back I laid on the Table a Statement showing which of our officers had been sent or are being sent abroad for further training.

सेठ गोविन्द दास : जहां तक इस केन्द्र के कालिज का सम्बन्ध है, क्या इसमें सभी प्रान्तों के लोग लिये जाते हैं और अगर लिये जाते हैं, तो क्य प्रान्तवार उनकी संख्या मुकर्रर होती है ?

[**Seth Govind Das:** Are persons from all the States eligible for admission to this Training Centre and, if so, is their number fixed State-wise?]

श्री किदवाई : इसमें लोग काबिलियत के लिहाज से लिये जाते हैं।

[**Shri Kidwai:** Admission to this Centre is made on the basis of merit.]

सेठ गोविन्द दास : यो जहां तक काबिलियत का सवाल है, उसका जांच क्या उनकी दरख्वास्त आने पर की जाती है या और कोई ढंग इसकी जांच करने का है ?

[**Seth Govind Das:** Is merit determined on the strength of the application received or is there some other method of judging the same?]

श्री किदवाई : जी हां, जांच उनकी दरख्वास्त आने पर की जाती है।

[**Shri Kidwai:** Yes, Sir, this is determined on the receipt of the application.]

Dr. Ram Subhag Singh: May I know the qualifications required for the admission of students for training as Air Pilot?

Shri Kidwai: There are different qualifications for different subjects. I shall lay on the Table particulars of the qualifications tomorrow for the information of the hon. Member.

Dr. Ram Subhag Singh: Air Pilots and not all.

Shri Kidwai: For the Air Pilots, I have not got the list of the qualifications with me.

AIR CONDITIONED COACHES

***3585. Shri Sidhva:** (a) Will the Minister of Railways be pleased to state whether air conditioned coaches are being built in India?

(b) If so, how many and in which workshop and for which Railway?

(c) What will be the cost of such cars?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Yes.

(b) The following Coaches are at present being built in railway Workshops:

(i) 15 Coaches in the G.I.P. Railway Workshops Matunga, out of which 12 are for the G.I.P. Railway and 3 for the M. and S. M. Railway.

(ii) 6 in the E. I. Railway Workshops for their own use.

(iii) 9 in the B. N. Railway Workshops, Kharagpur, for their own use.

(c) The cost of building an air-conditioned coach is estimated at about Rs. 2 lakhs.

Shri Sidhva: May I know whether it is contemplated that all passenger trains should be now fitted with these air-conditioned coaches?

Shri Santhanam: Not all passenger trains but only some of the through trains in the main routes of the country.

Shri Sidhva: May I know how many air-conditioned coaches exist at present?

Shri Santhanam: I have not got the actual number, but the hon. Member knows there are air-conditioned coaches in the B. B. and C. I., G. I. P. and East Indian Railway mail trains.

Shri Sidhva: May I know if the increase is on account of the demand that has been made by the passengers? On what basis are an increased number of air coaches being built?

Shri Santhanam: There is especially in summer a demand for these air-conditioned coaches in preference to the ordinary First Class coaches and we are also making an attempt to encourage tourist traffic for which this is considered essential. So on both these grounds, we are building these coaches.

Shri Sidhva: What is the operating cost of these air-conditioned coaches?

Shri Santhanam: The usual cost of any coach plus some additional cost for the air-conditioning etc.

Shri Syamnandan Sahaya: Is there any likelihood of an air-conditioned coach being attached to the Howrah-Delhi Service in the near future?

Shri Santhanam: Yes, Sir. As soon as these coaches are ready, there is every possibility of their being attached to the main trains.

Ch. Ranbir Singh: May I know the proportion of cost of an air-conditioned compartment with that of a third class compartment and the proportion of earnings of both the compartments?

Shri Santhanam: The cost of an air-conditioned coach is about double the cost of an ordinary non-air-conditioned coach. As for the earnings, probably if the air-conditioned coach runs in full, the earnings may be more or less equal, but of course, if it is not full, the earnings will be less, while a third class coach is expected to run full.

Shrimati Ammu Swaminadhan: May I know whether the air-conditioned coaches which are running now are always occupied or do they go empty at all?

Shri Santhanam: In summer they are generally as crowded as there are seats.

Pandit Munishwar Datt Upadhyay: What is the capacity of these coaches which are estimated to cost Rs. 2 lakhs.

Shri Santhanam: I have not got all these details.

Mr. Speaker: We will go to the next question.

MADRAS HARBOUR

*3590. **Shri Sanjivayya:** (a) Will the Minister of **Transport** be pleased to state whether the Madras Port Trust Authorities have approached the Government of India for a loan to extend the Madras harbour?

(b) If so, have the Government of India sanctioned the loan and if not, why not?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Yes. The Government of India were recently approached by the Madras Port Trust for an assurance to grant, within a period of 2 years, a loan sufficient to cover the cost of the scheme for the extension of the Madras Harbour.

(b) No immediate loan was asked for and (b) does not arise.

Shri Sanjivayya: What is the total estimated expenditure of this scheme of expansion of the Madras Harbour?

Shri Santhanam: I have not got the figure; it is about 4 to 4½ crores.

Shri Sanjivayya: Is there any time limit fixed before which the work under this scheme has got to be gone through?

Shri Santhanam: There is no time limit. It is open to us to start at any time and finish at any other time.

Shri Sanjivayya: May I know whether the foreshore in front of the Madras Secretariat has been acquired for this purpose and if so at what cost?

Shri Santhanam: It has not yet been acquired. But, a proposal for acquisition has been put forward by the Port Trust and it is being considered by the Madras Government.

LOAN LIABILITY OF HYDERABAD

*3591. **Shri S. V. Naik:** (a) Will the Minister of **States** be pleased to state whether the attention of Government has been drawn to the statement by the Finance Minister of Hyderabad at the Budget Press Conference on the 31st March 1951 stating that part of the loan liability of the State is to be taken over by the Government of India?

(b) If so, what part of the total loan would the Government of India take over as their liability and what are the reasons therefor?

The Minister of States, Transport and Railways (Shri Gopalaswami): (a) Yes.

(b) The attention of the hon. Member is invited to—

(i) the recommendations contained in the Report of the Indian States Finances Enquiry Committee, and

(ii) Clause (12) of the Agreement entered into between the President of India and the Rajpramukh of Hyderabad in connection with the financial integration of the State.

The actual amount of Public Debt to be taken over in accordance with the Agreement has not yet been worked out.

Copies of the Committee's Report and of the Agreement referred to have already been furnished to all the hon. Members.

Shri S. V. Naik: Will this taking over of a part of the loan liability of the State by the Centre have any effect on the grant towards the revenue gap because of financial integration?

Shri Gopalaswami: I do not think really it would have any effect on that.

RATIONED COMMODITIES

*3592. **Shri D. S. Seth:** (a) Will the Minister of **Food and Agriculture** be pleased to state what has been the increase in the cost of the various rationed commodities since the hon. Minister declared a deficit of 6,000,000 tons of cereals in 1950?

(b) What were the stocks of the various rationed commodities available with Government on the 1st January, 1950 and 1951?

(c) What percentage wheat and rice procured by Government bear to the total out-put of the country for the last three years?

(d) What has been the percentage of the population under ration in India?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) The hon. Member is presumably referring to the increase in the market rates of foodgrains. A statement (I) showing the market prices of different foodgrains in different States from September 1950 to April 1951 is laid on the Table of the House. [*See* Appendix XXIII, annexure No. 14-I.]

As regards foodgrains dealt with on Government account, it will be seen from the statements placed before the House in reply to parts (b) and (c) of Question No. 1470 on 15th February 1951 that there has been generally no change in the procurement or issue prices of indigenous foodgrains. Owing to special conditions in a few areas, small increase in the procurement prices were allowed for short periods. As regards overseas grains, as a result of the revised subsidy scheme from 1st January 1951 and also the increase in the cost of grains and shipping freight, an increase in issue prices has been necessitated. Statements (II) and (III) showing such increases in prices of indigenous and imported grains are also laid on the Table of the House. [*See* Appendix XXIII, annexure No. 14-I and II.]

(b) The stocks of various rationed foodgrains on 1st January 1950 and 1st January 1951 with the State Governments were as under:

On 1st January 1950: 15,81,000 tons.

On 1st January 1951: 7,46,000 tons.

(c) The percentage of wheat and rice procured by Government to the total output of the country during the years 1948, 1949 and 1950 were as under:

	1948	1949	1950
Rice	11·1 %	13·6 %	11·8 %
Wheat	1·0 %	9·8 %	17.8 %

(d) As already stated in reply to part (b) of Question No. 1578 on 20th February 1951, the total rationed population on 31st December 1950 formed about 35·6 per cent. of the total population of the country.

Dr. Ram Subhag Singh: In view of the fact that the prices of imported and indigenous grains are the same in ration shops, and both of them have been increased, may I know whether Government propose to make a proportionate increase in the procurement price of grains here?

Shri Thirumala Rao: No, Sir; not for the present.

FIRST AND SECOND CLASS RAILWAY PASSES

*3594. **Shri Sanjivayya:** Will the Minister of **Railways** be pleased to state:

(a) the number of persons, other than the Railway officials, who possess first class and second class passes valid throughout India; and

(b) in what capacity they are entitled to such passes?

The Minister of State for Transport and Railways (Shri Santhanam): (a) Thirty-seven.

(b) Some of these passes are for officers of the Posts and Telegraphs Department, Special Police Establishment and others are for members of the public connected with public work undertaken for national interest.

Shri Sanjivayya: Are Railway contractors allowed passes?

Shri Santhanam: It may be that for particular contracts, passes in connection with that contract may be given. They are not general passes.

Shri Sidhva: May I know whether any new passes were issued in 1950, and if so, how many?

Shri Santhanam: I have got a list of all the passes which are current. Some of them have been issued in 1950. That does not mean that they were new passes; they might have been renewed in 1950.

Kaka Bhagwant Roy: May I know what is the nature of the public work they perform to whom these passes are issued?

Shri Santhanam: For instance, we are issuing passes to the President and Secretary of the two Railway Labour Federations. Some passes are issued to people engaged in purely humanitarian or social work like the National Organising Commissioner of Bharat Scouts and Guides. We have issued a pass to Kaka Kalelkar and his secretary, who are engaged in collecting reminiscences connected with Mahatma Gandhi for which they have to tour throughout the country. That is the type of work for which passes are issued.

Shri S. N. Das: Has any case of misuse of these passes been reported to Government?

Shri Santhanam: No, Sir.

ACCIDENTS (LOSS)

*3595. **Shri Sanjivayya:** Will the Minister of **Railways** be pleased to state the total loss incurred by the Indian Railways due to the accidents during the years 1949-50 and 1950-51?

The Minister of State for Transport and Railways (Shri Santhanam): Necessary particulars are being collected and the reply, as soon as ready, will be placed on the Table of the House.

Shri Sidhva: May I know how many accidents have occurred due to negligence in not putting railings on the border of the railway lines?

Mr. Speaker: Is not the question premature, when the hon. Minister said that the necessary information is being collected?

Shri Sidhva: May I know if the Minister would kindly give this information also?

Mr. Speaker: He may request the hon. Minister.

I will now take up Mr. Naik's questions.

Shri Santhanam: Mr. Speaker, I would like to reply question No. 3580, because the putting of the question itself has caused some damage to us.

Mr. Speaker: Yes. He may answer that first.

CANADIAN ENGINES

*3580. **Shri M. P. Mishra:** Will the Minister of **Railways** be pleased to state:

(a) whether the press report that the Railway Board has stopped further import of Canadian engines is correct;

(b) whether a Committee of three top engineers had indicted these engines; and

(c) if so, whether Government propose to place all facts of the case on the Table of the House?

The Minister of State for Transport and Railways (Shri Santhanam): (a) It is not known which press report is referred to by the hon. Member. No engines from Canada are on order at present.

(b) 'No'—on the contrary a team of independent French Experts who recently examined the design and performance of these engines in detail, has found them entirely suitable for normal Indian conditions.

(c) Does not arise.

Shri Shiva Rao: In regard to Question No. 3582, will you allow a question of Parliamentary propriety to be raised? I refer to the question on Part 'C' States democratisation. That question has not been answered.

Mr. Speaker: I have not yet finished the question list.

Dr. Deshmukh: May I ask a question, Sir?

Mr. Speaker: I think Government wanted to put the question for the purpose of explaining the position. The hon. Member who practically is in possession of the facts and had sent the question is not here.

Dr. Deshmukh: Since it has been answered, it is now your property and the property of the House.

Mr. Speaker: Theoretically, they can put questions. It is for me to decide as to how far the questions are going to be proper questions. Members who have not studied particular questions.....

Shri Kamath: That is an assumption.

Mr. Speaker: Yes; in 99 per cent. of the cases, it is a correct assumption. Theoretically, Members can put questions. Yes; let him put the question and let me see what type of question it is.

Dr. Deshmukh: May I know the reasons why the ordering of these engines has been discontinued when they have been found to be so satisfactory?

Shri Santhanam: Because we had ordered enough and we have got enough.

Shri Kamath: Sir, did I hear the hon. Minister aright when I heard him refer to normal Indian conditions? Did he say normal Indian conditions?

Shri Santhanam: Yes.

Shri Kamath: Does that include the rail track in all parts of India?

Shri Santhanam: Sir, it refers to all parts of India where these engines have to run.

Mr. Speaker: Now we will take the questions of Mr. M. Naik. He has given Mr. Pani the authority to put them.

MAIL MOTOR SERVICES

*3586. **Shri B. K. Pani:** (on behalf of **Shri M. Naik**): Will the Minister of **Communications** be pleased to state whether the Postal Authorities have examined the proposal of running mail motor services or of utilising the existing motor services for carriage of mails, between Baripadh and Karanjia and Rairangpur and Karanjia in the District of Mayurbhanj in Orissa?

(b) Will the proposal be given effect to in the near future?

The Minister of Communications (Shri Kidwai): (a) and (b). A proposal to convey mails between Baripada and Karanjia and between Rairangpur and Karanjia by motor services is already under examination of the Postal authorities. A decision on the proposal will be taken shortly.

PILOT KEY VILLAGE SCHEMES

*3587. **Shri B. K. Pani** on behalf of **Shri M. Naik**): Will the Minister of **Food and Agriculture** be pleased to state:

(a) how many of the pilot key village schemes sanctioned by the Indian Council of Agricultural Research for the purpose of improving the cattle of India have so far been started and where?

(b) what is the estimated expenditure for each scheme; and

(c) what is the approximate time by which the whole country can be brought under this scheme?

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): (a) The Indian Council of Agricultural Research have sanctioned 7 pilot key village schemes, two of which, one in Uttar Pradesh and one in Delhi, have already started functioning. The third to be located in Travancore-Cochin is expected to start shortly. Two of the remaining 4 centres, sanctioned for Bombay (Gujrat), Orissa, Hyderabad and Saurashtra, will be set up this year and the remaining two next year.

(b) Rs. 1,17,000/- for five years, to be shared equally between the Council and the Government of the State in which the scheme is located.

(c) The Council have sanctioned only 7 units as an experimental measure. A scheme for starting a net work of 600 key villages all over India has been prepared and is under the consideration of Government. The scheme can be implemented within 4 to 6 years, if funds to the extent of about Rs. 10 crores, are made available.

Seth Govind Das: May I know whether according to this scheme centres would be opened in every province or only in those places which the hon. Minister just now mentioned?

Shri Thirumala Rao: It depends upon the availability of funds as the Centre has to share the expenditure half and half with the State Government concerned. Wherever it is possible to start these centres with the co-operation of the State Government they will be started.

Seth Govind Das: May I know the reason why the breeding farm which had been started in Madhya Pradesh at Jubbulpore has been transferred to Karnal and so much money that had been spent on the farm at Jubbulpore has been wasted?

Shri Thirumala Rao: In view of the continued loss sustained in running the farm at Jubbulpore, and in view of the retrenchment proposals, it was decided that the animals at Jubbulpore should be transferred to Karnal and the farm at Jubbulpore wound up.

Seth Govind Das: May I know what is being done with the land that had been reclaimed for the purpose of this farm at Jubbulpore?

Shri Thirumala Rao: I have got information that that land is useful to the Government of India.

Pandit Thakur Das Bhargava: How much money has been appropriated from out of the Grow More Food money for the village key schemes?

Shri Thirumala Rao: This scheme is not yet finally decided upon and so it is not possible to say how much is being spent on it and from which fund. When funds are available, they will be spent on this scheme.

Seth Govind Das: Is there a proposal that part of the money set

apart for the Grow More Food work will be spent on this scheme?

The Minister of Food and Agriculture (Shri K. M. Munshi): This proposal was put forward by hon. Members at the time of the Budget debate. But that matter is being considered now as to whether it is possible and practicable to divert part of the Grow More Food fund for this purpose.

Dr. Deshmukh: If the cattle when they were at Jubbulpore were causing loss to Government on what ground was it calculated that the same cattle would yield a profit at any other place?

Shri K. M. Munshi: The position was that the Jubbulpore farm was acquired at a considerable cost by the Government of India several years ago under the Post-war Reconstruction Scheme. It was, however, found that this farm was entailing a heavy loss on the Government year after year. Therefore, in order to economise and in view of the financial stringency it was decided that the herd there which was really good, should be transferred to Karnal and the land on which the farm was located should be utilised by government. It was first offered to the Madhya Pradesh Government, but they would not take it. Then, tenders were invited, but the tenders received were found to be most inadequate and so Government decided, in consultation with the Rehabilitation Ministry that it should be given to deserving refugees.

Dr. Ram Subhag Singh: What are the chief functions of these pilot village schemes and do the villagers really benefit under the work done in these schemes?

The Minister of State for Rehabilitation (Shri A. P. Jain): Since the matter has been.....

The Minister of State for Finance (Shri Tyagi): How can a Minister put supplementary questions?

Mr. Speaker: Order, order. He is not putting any question.

Shri A. P. Jain: Since the farm has been passed on to me, with your permission I may add to what has already been stated in the House. The Rehabilitation Ministry has taken over the land of this farm, totalling more than 3,000 acres and...

Dr. Ram Subhag Singh: Is the hon. Minister answering my question Sir?

Mr. Speaker: No.

Shri A. P. Jain: Out of this area some 1,400 acres are capable of being reclaimed for agricultural purposes. Immediately we are taking over 250 acres which we hope to reclaim before the coming of the rains and on that land of 250 acres we hope to settle 30 families of agriculturists, at the rate of 8 acres per family. After that we hope to reclaim the remaining 1,150 acres and we will settle more agriculturists. There are 27 pairs of bullocks left at the Jubbulpore farm and these bullocks we propose to take over from the Agricultural Ministry and hand them over to the agriculturists who will be settled there. That is the plan on which we are working now.

Dr. Ram Subhag Singh: Sir, what are the chief features of this pilot village scheme and do the villagers understand it? How does it operate?

Shri Thirumala Rao: The chief aims are the segregation of stocks not fit for breeding or milk production and preventing them from reproducing their kind; the selection of superior germ plasm available in the country and its utilisation in accordance with a carefully considered breeding plan so as to develop their potentialities for maximum production; to provide for adequate and balanced feeding so as to enable the animals to express fully their inherent capacity, making adequate arrangements for effective prevention as well as control of diseases which periodically decimate and debilitate our cattle. The scheme envisages the establishment of about 600 key villages spread throughout the country along with 340 bull rearing farms and 150 artificial insemination centres.

सेठ गोविन्द दास : जहां तक जबलपुर की इस ज़मीन का सम्बन्ध है माननीय मंत्री जी ने अभी कहा कि इसमें से २५० एकड़ ज़मीन इस साल ली जा रही है । तो इस पर जो शरणार्थी बसाये जाने वाले हैं उनसे कुछ दरख्वास्तें मांगी गई हैं या उनकी दरख्वास्तें आ चुकी हैं। और अगर आ चुकी हैं तो जो शरणार्थी बसाये जावेंगे उनके सम्बन्ध में क्या निर्णय किया गया है ?

[**Seth Govind Das:** The hon. Minister has just stated with regard to the land at Jubbulpore that out of it 250 acres are being taken over this year. Have applications been called from the refugees who are to be settled on this land or have they been received

already? If they have been received what has been decided about the particular categories of refugees who are to be thus settled?]

श्री ए० पी० जैन : पंजाबियों को छोड़ कर जितने शरणार्थी पाकिस्तान के अन्दर खेती करते थे और यहां पर ज़मीन चाहते थे मगर जिन को ज़मीन नहीं मिली या जो ज़मीन के मालिक पाकिस्तान से यहां आये हैं और अपने हाथ से खेती करना चाहते हैं उन सब की दरख्वास्तें दिसम्बर के शुरू में मांगी गयी थीं और हमारे पास क़रीब क़रीब १२ हज़ार दरख्वास्तें हैं जिन का निरीक्षण हो रहा है। इनमें से माकूल आदमी छांट कर क़रीब ३० का एक ग्रुप वहां भेजा जायेगा।

[**Shri A. P. Jain:** Applications had been invited in the beginning of December from all those refugees, barring the Punjabees, who were doing cultivation in Pakistan and who wanted land here but had not been able to get it, or those owners of land who had migrated from Pakistan to this country and wanted to do cultivation with their own hands. We have received about 12,000 applications which are being scrutinised. A selection of deserving persons would be made out of them and a group of about thirty would be sent there.]

Dr. Deshmukh: Was it not possible for the Ministry of Rehabilitation to take over this whole farm and continue it at Jubbulpore so that this amount spent already on this scheme could have been saved? Was this question examined at all?

Shri A. P. Jain: We shall bear that in mind.

पंडित ठाकुर दास भार्गव : क्या मैं पूछ सकता हूं कि विलेज की स्कीम के मातहत गवर्नमेंट ने कितने गो सेवा सदन अभी तक खोले हैं ?

[**Pandit Thakur Das Bhargava:** May I know how many Go Sewa Sadans have so far been started under the village scheme?]

Shri Thirumala Rao: We have not yet opened any Go Seva Sadan.

Seth Govind Das: Is there any proposal before the Government to open Go Seva Sadans, if they have not yet been opened?

Shri Thirumala Rao: The Gosamvardhan Bill connected with Go Seva Sadan is coming up and advantage can be taken of its provisions.

WRITTEN ANSWERS TO QUESTIONS

Communists in Hyderabad

***3569. Shri M. L. Gupta:** Will the Minister of **States** be pleased to state:

(a) the area and districts of Hyderabad State to which Communist activities are limited now;

(b) the total loss to life and property caused due to the activities of Communists after Police Action;

(c) how much of the loot, arson, and murders reported are committed by Communists and how much by the unsocial elements of unknown political ideology; and

(d) how many communists have been killed in action?

The Minister of States, Transport and Railways (Shri Gopalaswami): (a) to (d). The information is being collected and will be placed on the Table of the House when received.

Central Phosphatic Pool

***3581. Dr. M. M. Das:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) when the Central Phosphatic Pool was first established;

(b) the aims and objects of the Pool; and

(c) the allotments of super phosphates to the different States during 1950-51?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) February, 1949.

(b) The object is to ensure adequate and equitable supply of superphosphate to the cultivators at reasonable price.

(c) The allocations are made according to the calendar year. A statement containing the allocations of superphosphate made during 1950 was laid on the Table of the House in connection with Question No. 1373 on the 12th February, 1951. A statement for the allocations made for January to June, 1951 is now placed on the Table of the House. [*See* Appendix XXIII, annexure No. 15.]

Part 'C' States (Democratisation)

***3582. Shri Dwivedi:** Will the Minister of **States** be pleased to state the time likely to be taken in introducing a Bill in Parliament in connection with

democratising Part 'C' States as announced by the hon. Minister?

The Minister of States, Transport and Railways (Shri Gopalaswami): I hope to introduce the Bill within the next 3 or 4 days.

LABOUR ARBITRATION AWARDS

*3588. **Shri M. Naik:** Will the Minister of **Food and Agriculture** be pleased to state:

(a) to what extent the cost of production of sugar has gone up due to Labour Arbitration awards; and

(b) what is the incidence of such rise, if any, on the level of ultimate sugar prices?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) and (b). The cost of production of sugar as a result of State Government orders issued in consideration of recommendations made by the Conciliation Board in U.P. in 1947 and the Court of Enquiry costituted in 1950 in U.P. under the Industrial Disputes Act, 1947, has gone up by As. -/6/- per maund of sugar in U.P. according to the Statistics collected by the Indian Sugar Mills Association in October, 1950. Similar awards were given in Bihar also which have resulted in an increase of As. -/6/6 per maund of sugar in Bihar according to the Indian Sugar Mills Association. The recommendation of the Indian Sugar Mills Association was accepted provisionally in fixing the ex-factory prices of sugar in these two States, pending the examination of the figures furnished by the Indian Sugar Mills Association by the two State Governments.

There were no such awards in any other State.

LAND RECLAMATION IN VINDHYA PRADESH

*3589. **Shri Dwivedi:** (a) Will the Minister of **Food and Agriculture** be pleased to state whether it is a fact that a sum of rupees five lakhs was sanctioned for land reclamation work in Vindhya Pradesh under the Malwa Region Plan and that this could not be utilised and therefore the amount has been surrendered?

(b) Did Government institute an inquiry as to why this money could not be utilised?

The Minister of Food and Agriculture (Shri K. M. Munshi): (a) Yes.

(b) Tractor units of the Central Tractor Organisation were engaged elsewhere and could not be diverted to Vindhya Pradesh. No private firms were also forthcoming for undertaking operations in Vindhya Pradesh. The scheme had, therefore, to be dropped during that year and alternative proposals for the construction of *rabi* embankments, wells and purchase of bullocks at a total cost of Rs. 1 lakh were sanctioned separately before the close of the financial year.

SCHEDULED CASTE EMPLOYEES IN P. AND T. DEPARTMENT

*3593. **Shri Chandrika Ram:** Will the Minister of **Communications** be pleased to state:

(a) the numbers of the scheduled caste people in the Post and Telegraph Department, who have been taken as a result of the examination of the Postal Department in September-October 1950 State-wise;

(b) whether the percentage allotted by the Government of India for scheduled caste people was filled up; and

(c) if not, what steps, if any, are being taken for filling up the quota?

The Minister of Communications (Shri Kidwai): (a) The examination for recruitment of clerks, telegraphists and telephone operators was held in August 1950 in U.P., October 1950 in Hyderabad and in July-August 1950 in the remaining Circles. The following number of scheduled caste candidates who qualified were taken:

Bombay	..	5	Orissa	..	nil
Bengal	..	44	Madras	..	7
Assam	..	3	Punjab	..	28
U. P.	..	3	Central	..	12
Bihar		11	Hyderabad	..	1

(b) No.

(c) The reservation of vacancies for scheduled caste candidates is subject to the overall condition that they must possess the prescribed minimum standard of qualification. Government have allowed the following concessions to attract more scheduled caste candidates; (i) Maximum age limit to be increased by three years; (ii) Examination fee, if any, to be reduced to one-fourth. Government are also considering whether the vacancies reserved for the scheduled

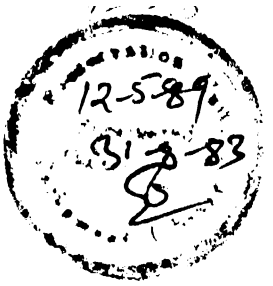
castes and not taken up by them may oe carried forward to the next year as in the past.

RESTORATION OF RAILWAY LINES (EXPENDITURE)

243. Shri Sanjivayya: Will the Minister of **Railways** be pleased to state the **expenditure** incurred by Government for restoring the railway lines washed away by floods during the years 1949-50 and 1950-51?

The Minister of State for Transport and Railways (Shri Santhanam): A statement is placed on the table of the House. [*See* Appendix XXIII, annexure No. 16.]

Friday, 27th April, 1951



PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

VOLUME X, 1951

(31st March, 1951 to 20th April, 1951)

Third Session

of the

PARLIAMENT OF INDIA

1950-51

THE

PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

PARLIAMENT OF INDIA

Friday, 27th April, 1951

The House met at Half Past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(See Part I)

9-30 A.M.

HOUSE COMMITTEE

Mr. Speaker: I have to inform the hon. Members that I have nominated the folowing Members as members of the House Committee:

Shri Surendra Mohan Ghose (*Chairman*), Shri Nandkishore Das, Shri H. V. Kamath, Shrimati Ammu Swaminadhan, Shri Upendranath Barman, Shri B. Shiva Rao, Shri Deshbandhu Gupta, Shri V. C. Kesava Rao, Shri U. Srinivasa Mallaya, Shri Gokulbhai Daulatram Bhatt and Shri R. K. Sidhva.

PAPERS LAID ON THE TABLE

STATEMENT *re* RELEASE OF SUGAR FOR FREE SALE

The Deputy Minister of Food and Agriculture (Shri Thirumala Rao): I beg to lay on the Table of the House a copy of a statement on release of sugar for free sale promised by Mr. Munshi in his speech during the discussion of the Demands for Grants under the control of the Ministry of Food and Agriculture on the 7th April, 1951. [*See* Appendix XXVI, Annexure No. 27.]

श्री भट्ट : माननीय अध्यक्ष महोदय, मैं एक जानकारी के लिये, आप की इजाजत हो, तो पूछना चाहता हूं। अखबारों से ऐसा पता लगा है और यह मालूम हुआ है कि डीलिमिटेशन आफ़ कांस्टीट्यूएन्सी की रिपोर्ट इलैक्शन कमिश्नर ने राष्ट्रपति के पास भेज दी है और राष्ट्रपति जी ने उस पर अपना निर्णय निकाल दिया है। क्या यह बात सच है ? और अगर उन्होंने निर्णय दे दिया हो, तो उसके मुताल्लिक़ यहां पर पेपर्स कब रखे जावेंगे ?

[**Shri Bhatt** (Bombay): On a point of information, may I know, Sir, if it is correct, as reported in the newspapers and as learnt otherwise, that the Election Commissioner has submitted his report about the delimitation of constituencies to the President? And, if orders have been passed already, when will the papers be laid on the Table of the House?]

मिस्टर स्पीकर : सरकार से मैं पूछताछ करूंगा और फिर यहां पर बताऊंगा।

[**Mr. Speaker:** I shall make enquiries from the Government and then give the required information.]

RESOLUTION *RE* RAISING OF EXPORT DUTY ON JUTE SACKING

The Minister of Finance (Shri C. D. Deshmukh): I beg to move:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), this

[Shri C. D. Deshmukh]

House hereby approves the notification of the Government of India in the Ministry of Finance (Revenue Division) No. 40-Customs, dated the 30th March, 1951, by which the export duty on Jute Sacking (cloth, bags, twist, yarn, rope and twine) was raised from Rupees 150 per ton to Rs. 350 per ton, with effect from the date of the said notification."

I do not think any speech is called for from me, because yesterday on the Finance Bill the House had approved of the insertion of this duty as a permanent measure.

Mr. Speaker: Resoution moved:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), this House hereby approves the notification of the Government of India in the Ministry of Finance (Revenue Division) No. 40-Customs, dated the 30th March, 1951, by which the export duty on Jute Sacking (cloth, bags, twist, yarn, rope and twine) was raised from Rupees 150 per ton to Rs. 350 per ton, with effect from the date of the said notification."

Mr. Speaker: There is an amendment to the Resolution by Mr. Guha.....

Shri A. C. Guha (West Bengal): I want to move it, Sir.

Mr. Speaker: I do not know how far it is consistent with what the House passed yesterday.

Shri Sidhva (Madhya Pradesh): On a point of information, this power is already vested in the Executive. I do not know what is the object of bringing in this Resolution for the sanction of this House. Previously whenever the duty was enhanced it was done by executive order.

Mr. Speaker: They have to get the approval of the House. They can do so in anticipation of the approval of the House. They have to raise the duty from the 1st April and the House will have to take that into consideration and pass such a resolution if it likes.

As regards the amendment of Mr. Guha, I am not very clear as to the effect of the provision adopted yesterday which is incorporated as a permanent measure now.

Shri C. D. Deshmukh: That is right. I think the amendment is out of order.

Mr. Speaker: That is what I am telling him. The amendment will now be out of order but if the hon. Member wishes to speak on that aspect, that is a different matter.

Shri A. C. Guha: Is it out of order or.....

Mr. Speaker: Yes, it is out of order, because the House decided yesterday to incorporate a particular measure in the Finance Bill. The hon. Member's amendment would be contrary to that decision of the House.

Shri Sidhva: Therefore my point remains: why is it brought before the House?

Shri A. C. Guha: Sir, the Government has brought this resolution before the House to get its approval in accordance with the Tariff Amendment Act passed during the last session of Parliament. On the general principle I do not think there is anything to take objection to. But in view of the fact that the jute industry has been passing through a crisis and in view of the fact that jute is our biggest foreign exchange earner, I think the House should get a clear idea as to how much we have been losing in the jute industry for about eight to ten months. This duty was at Rs. 50, then raised to Rs. 150 and now it is being raised to Rs. 350. As the House is aware the duty on hessian also has undergone a series of changes from the beginning of the Korean War. Starting from Rs. 180 it is now 1,500 per ton.

During this session in reply to a question of mine put just before the control over the price of jute goods was taken away, the Minster for Commerce and Industry said that the cost of hessian in U.S.A. was $22·75 and the spot market price was $34·50, thus leaving a clear margin of $11·75 for every 100 yards of hessian. Calculating on the average monthly expert of hessian we can come to the conclusion that the shippers were making an undeclared profit to the tune of about Rs. 3 crores every month. In the November session the Commerce Minister stated that on only 10 per cent. of hessian goods which were not directionally controlled it was apprehended that about 12 crores were made as undeclared profit.....

Shri T. T. Krishnamachari (Madras): On a point of order, Sir, since this particular duty has been approved by the House in passing the Finance Bill, it seems to me that no action need be taken under the terms of the Tariff

Act. The approval of this House has already been given and no action need be taken now. Therefore the resolution itself is out of order.

Shri Sidhva: There is no necessity for it.

Mr. Speaker: "No necessity" is altogether a different proposition. As regards the propriety of this Resolution my impression is this and hon. Members may correct me if I am wrong. The notification having been issued with effect from the 1st of April and the Finance Bill having been passed by the House only yesterday, some authority is necessary for the interim period and that is how I feel the necessity of this resolution.

Hon. Members will remember that in the Tariff Amendment Act passed very recently, we adopted section 4 (a) which reads as under:

"(2) Every such notification shall be laid before Parliament, if it is in session, as soon as may be after the issue of the notification, and if it is not in session, within seven days of its reassembly, and the Central Government shall seek the approval of Parliament to the notification by a resolution moved within a period of fifteen days beginning with the day on which the notification is so laid before it; and if Parliament makes any modification in the notification or directs that the notification should cease to have effect, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be, but without prejudice to the validity of anything previously done thereunder."

Therefore it becomes obligatory on the part of the Government to move such a Resolution and this House has the right either to confirm it as it is or modify it or cancel it. That is how I look upon it.

Shri T. T. Krishnamachari: My submission is, if the House rejects it what happens to the Finance Bill which we have passed yesterday? It would result in an anomaly.

Mr. Speaker: If the House rejects it, it will have effect for the interim period and not for the period beginning from the passing of the Finance Bill yesterday.

Shri Sidhva: But the Finance Minister says it is a permanent duty.

Mr. Speaker: Order, order. The hon. Member is not following the legal argument involved. He should not be in a hurry; let him follow the point. As I was saying, this was the provision that was introduced in the Tariff Act and it provided for the interim period. It was urged that an emergency may arise, in which Government may have to act without coming to the House and without having the approval of the House. The House was unwilling to give a blank cheque to the Government; and therefore what was followed by us, was to enact that they may issue a notification but they should place it before the House and come with a Resolution to have the approval of the House. Here, in between, has come the Finance Act. Therefore, so far as the position from yesterday is concerned, the duty is now placed on a permanent footing as the Finance Minister stated; but what about the interim period? For the interim period you must legalise what the Government have done, but there the House has got the authority to modify it. Even if the House says that it be cancelled, that it does not accept the Resolution, I think the duty of the Government is to refund whatever they may have realised during the interim period. That is how I understand.

Shri T. T. Krishnamachari: If I am following the Chair's ruling aright it means the merely putting Parliament's approval on the collection of this extra duty from 1st April to 26th April. Well, then I think there is nothing to be said against the Resolution. Only it must be made clear that it is intended only to cover the interim period, that is before the Finance Bill became an Act—actually it has not yet become an Act and it will not until it receives the assent of the President. So I agree that the position is perfectly correct.

Mr. Speaker: I think it clarifies the point of Mr. Sidhva also?

Shri Sidhva: Yes, Sir.

Mr. Speaker: Now the hon. Member, Mr. Guha may continue his speech.

Shri A. C. Guha: I was giving the position of hessian. Now I come to jute sackings. During the last nine months of 1950, April-December, our exports of jute yarns and twists were above Rs. 69 lakhs to the United Kingdom, over Rs. 2½ lakhs to U.S.A. and Rs. 10 lakhs to other countries. As regards sacking and gunny bags our total exports during these nine months amounted to Rs. 38 crores or about 2½ lakh tons. So it involves

[Shri A. C. Guha]

a big amount. Most of these gunny bags were going to the United Kingdom and soft currency areas; unlike hessian they were mostly exported to non-dolar areas. My contention is that times have been changing so rapidly that Government may have to increase the duty on jute goods at intervals of every two or three months. Even the present duty should be for the time being *i.e.*, for a limited period, and Government should review the case after six months or so if necessary so that the country may not be loser in any case.

The Finance Minister has repeatedly said in this House that enhanced taxation is also meant for putting a check on inflation. As the income of the shippers and traders was so long something like undeclared profit, it was adding to inflation; but now with the control over prices having been removed the profits have to be declared—if, of course, Government can tackle the shippers and the merchants successfully. But then if the customs duty is not increased that also would lead to more inflation. In view of the international situation and in view of the fact that the demand for these goods is going to increase periodically, Government should review the position also periodically and if the prices in foreign countries do not keep pace with the prices here they should increase the customs duty after every six months or even earlier if necessary.

With these few words I commend this Resolution.

The Minister of State for Finance (Shri Tyagi): On a point of order, Sir, I submit that his amendment is out of order.

Mr. Speaker: I have already ruled it out of order, but a right is given by law to an hon. Member to have this Resolution amended or modified in any manner that he wants to suggest. The whole question is again open for discussion as to whether this duty should be collected or not collected for the interim period. The only observation, which I shall make for the guidance of the Members is that this question having been thrashed out thrice before, should not again be thrashed out in lengthy arguments. But it is not correct to say, to my mind, that the question is not open for discussion.

Shri Syamanandan Sahaya (Bihar): I rise to accord my support to the Resolution for the very simple reason that the House having accepted yesterday the rise in the duty for the future is now precluded from expressing any other opinion. The only question that remains is relating to the interim period, and even with regard to the interim period I will draw your attention to sub-clause (2) of 4A where it is laid down as follows:

> "and if Parliament makes any modification in the notification or directs that the notification should cease to have effect, the notification shall thereafter have effect only in such modified form or be of no effect as the case may be,"

and the important lines are:

> "but without prejudice to the validity of anything previously done thereunder."

I submit, Sir, that in this matter there is no alternative before the House. We have already accepted the principle for the future and for the interim period the law lays down that even if we now reject or amend this proposition it shall not affect the validity of anything done in the past. I submit therefore that the matter is now so clarified and simple that we better accept the Resolution and pass it.

Shri C. D. Deshmukh: I think the legal points have been cleared up. The only value of this discussion is to enable Members to make observations in regard to the future conduct for watching the course of this export duty and I take Mr. Guha's observations in that sense. He says the matter should be reviewed from time to time and such changes as may appear necessary to Government should be made. Well, I have taken note of his observations. We have the power to make changes either upwards or downwards, in accordance with the procedure laid down in the Tariff Act and we shall exercise that power.

Mr. Speaker: The question is:

> "In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (XXXII of 1934), this House hereby approves the notification of the Government of India in the Ministry of Finance (Revenue Division) No. 40-Customs, dated the 30th March, 1951, by which the export duty on Jute Sacking (cloth, bags, twist, yarn, rope and twine) was raised from Rupees 150 per ton to Rs. 350 per ton, with effect from the date of the said notification."

The motion was adopted.

TAX ON NEWSPAPERS (SALES AND ADVERTISEMENTS) REPEAL BILL—*concld.*

Mr. Speaker: The House will now proceed with the further consideration of the following motion moved by Shri C. D. Deshmukh on the 24th April:

> "That the Bill to provide for the repeal of certain State laws in so far as they sanction the levy of taxes on the sale or purchase of newspapers and on advertisements published therein, be taken into consideration."

Shri T. T. Krishnamachari (Madras): I wish only to deal with a very narrow point in respect of this Bill. Though this is a Bill repealing certain provincial enactments, we have to see whether it is necessary for us to define in this Act what a newspaper is. I have been prompted to raise this point because of a telegram that I got from the Editor of a Madras monthly which states that the Madras Government order dropping the sales tax on newspapers is interpreted as not affecting monthlies and therefore sales tax continues to be levied on monthly magazines which are included under newspapers by the Newsprint Control Order issued by the Commerce and Industry Ministry of the Centre and which are also covered by the Postal Act relating to newspapers. Section 9(2) of the Postal Act defines a newspaper very clearly. It says that a newspaper registered as a newspaper for transmission by inland post means every publication consisting wholly or in great part of political or other news or of articles relating thereto or of current topics with or without advertisements, subject to the following conditions, namely,

(1) that it is published at intervals of not more than 31st days, and

(2) that it has an appreciable reading clientele.

The Governing consideration must therefore be the one mentioned in the Postal Act. I am not in a position to tell the House just at this moment how the Madras Sales Tax Act defines a newspaper.

The Minister of Finance (Shri C. D. Deshmukh): Clause 2 of that Act defines a newspaper as a periodical containing public news or comments on public news. That is the expression in the Act.

Shri T. T. Krishnamachari: That makes my case stronger. If that is the definition under the Madras Act and we repeal the Madras Act under this Bill it might not include all newspapers as defined in Section 9 of the Postal Act. In the Constitution, we have merely mentioned newspapers and there is no question of definition of what newspapers are, which is left to particular enactments. There is the Central Act, *i.e.*, the Postal Act, which defines newspapers. There is a Central Order, *i.e.*, the Newsprint Control Order, which defines the scope of that order. It includes monthlies as well. Therefore, it seems to me that we should not merely repeal an enactment where the definition is restrictive but we should also provide guidance to the State Governments to the effect that they cannot extend the scope of any other legislation if it impinges on the freedom from taxation what is understood to be a newspaper by the Central Government. I have tabled an amendment this morning and it is subject to your discretion to allow it, if the Mover is willing to accept it. While I shall leave it to the Mover to see whether it is necessary or not, I personally think that it would be much better to record this objection, namely, that it is better, even though this is a repealing Act, that we define what a newspaper is, so that can provide guidance to the State Governments and they may not construe a newspaper as something more restrictive than what the Central Government understands it to be.

Shri Sidhva (Madhya Pradesh): What is the amendment?

Mr. Speaker: I think it has been already circulated.

Shri Sidhva: No, Sir. We have not got it.

Shri T. T. Krishnamachari: I gave notice this morning. That is why I said that it is subject to your discretion to allow it.

Mr. Speaker: We shall see when we come to the clause by clause stage.

Shri Joachim Alva (Bombay): I welcome this Bill. It is welcomed by the newspaper fraternity, though Mr. Sidhva spoke for forty minutes condemning newspapers and newspaper proprietors.

Shri Sidhva: That is incorrect. I never condemned newspapers.

Shri Joachim Alva: At one stage or other, we have got to know what is the state of the newspaper industry in this country. We should know what the business of newspapers has been like in the past; what is its

[Shri Joachim Alva]

present shape and what will be its future. In the past, as Mr. Sidhva may not be aware, newspapers have been conducted with infinite trouble at the hands of a foreign bureaucracy, with their presses being closed; materials not being available; editors or writers being fired into prisons.

Shri Sidhva: You were not born when I was conducting a newspaper.

Shri Joachim Alva: My hon. friend spoke for forty minutes. I think he will not grudge me ten minutes to demolish his arguments. Newspapers were conducted with great difficulty. Though their sources were nil, the courage and vigour with which newspapers were conducted by journalists in this country were almost unparalleled. They were the pioneers even before the fighters of freedom came on the scene. They waged battles with their pens, not with their swords. They fought in a manner that even the fighters of freedom did not do. Thereafter came a kind of revolution. During the war, as you know, capitalists and black marketeers entered the field of journalism. Their only object was to make profits. They grabbed newspapers to make them handmaidens of their policies. They wanted newspapers just to be instruments of their policies.

My hon. friend Mr. Goenka said that there are 1400 newspapers in the country. His figure was wrong. There are about 4,000 journals including periodicals and monthlies in both English and Indian languages. All these are having a hand to mouth existence. I was telling a foreign friend of mine that we, newspapermen in this country, are battling with third-rate resources, fourth-rate materials but with first-rate men! There are men in our journalism who, for energy, patriotism, character and integrity can stand up with the best in the land. They have been devoted to the ideal of journalism just because they think that it is an ideal or a vehicle of public service. They have not been motivated by profit. Had they entered other professions, they could have earned thrice or even four times their present meagre earnings. Our newspapermen have been greatly troubled over the taxes levied in the Madras and Bombay States. These taxes created enormous difficulties in the conduct of newspapers. We have had eminent men in newspapers. I may venture to mention the name of my hon. friend Shri Suresh Chandra Majumdar who is sitting quietly in the back benches of this House. He learnt the art of newspaper running as a compositor when he was serving a term of imprisonment. He is a veteran who has spent long periods within prison walls and conducted a newspaper which has the largest circulation among Indian language newspapers. I mean the *Anand Bazar Patrika*, which has been reached a hundred thousand circulation.

The newspapers had to wage battles against a foreign Government in the past. They had enormous difficulties. The state of our newspapers even today is far below than that of what we have in other parts of the East or West. Even Japan has progressed tremendously. The *Pravda* in Russia claims millions of readers. The London's *Daily Express* claims millions of readers. The *Daily News* of New York or Washington or any other American periodical claims millions of readers. It will take us a long time before we reach that goal. The reason is that we have not even 100 million literate people in this country. 10 A.M. When literacy increases we shall have larger circulations. Till then we must await indeed. We have in this connection to see how far and how much our newspapers depend upon public support. The cost of production of a newspaper is twice or three times its selling price. Newspapers, therefore, naturally depend almost entirely on advertisements. And what is the advertisement revenue of Indian newspapers? About Rs. 2½ crores of this comes from the United States and British firms, who since the battle of Korea are waging a kind of economic strangulation of papers which support Indian nationalism and the campaign of peace and non-violence which our Prime Minister has launched. We may have to see that all foreign advertising be handled by Indians only.

As against this barely half a crore of rupees worth of advertisements are put out by Indian businessmen; and how far will this amount go round four thousand Indian papers? As I said all their production charges have to come from advertisement revenues; Rs. 2½ crores of which come from foreign advertisers, who distribute it according to the policy of the papers. There are also Indian businessmen who want to see how far their own coffers are filled. Thus between the devil and the deep sea, the Indian newspapers have a hard existence.

After all is said and done every organ of the State, every limb of the

State has to bear the burden of taxation. We have, therefore, to see how far the newspaper industry, or the business of newspapers can be conducted with some kind of profit. At present most of them are carried on in deficit; most of them do not know what the morrow has in store for them, particularly because costs have tripled or quadrupled. Only people who have amassed black-market money can successfully conduct a newspaper and the lot of people who work with vigour, patriotism, courage and integrity, not thinking of the profit motive, but only thinking of the advancement of the interests of the country, is hard indeed.

Another trouble that has occurred is in the matter of collecting advertisement taxes and sales tax. As I said, practically three-fourths of the advertisement revenue is handled as part of patronage by foreign advertisers, who not often support papers which attack the basic values of Indian Nationalism. Then there are the advertising agencies and the ordinary advertisers. After the sales tax and advertisement tax came into force, there has been regular trouble among the three parties. One party says: "You pay the tax". The other party says, "we will pay 50 per cent., you pay the balance." Ultimately the institution which suffers is the newspaper which has to wage a lonely, losing battle!

As I said there are four thousand journals in India and it will be a very happy day when all these papers are owned by four thousand people. But unfortunately four or five powerful men with large bank balances which have accrued by black-marketing and nefarious methods, would love to control almost all the newspapers. They have entered the field and have vulgarised, deteriorated and lowered the standards of journalism in India with the result that the honest journalist finds it difficult to carry on with dignity and honour.

I feel that the advertisement tax should not be levied until at least one hundred million people become literate, when we shall have more newspaper readers, when Indian businessmen will consider it an act of patriotism on their part to advertise their goods in Indian newspapers. Then Indian newspapers will indeed be able to live solely on the support, goodwill and patronage of Indian businessmen as against foreign advertisers whose allotment depends upon the Red or anti-Red sentiments expressed by a paper.

Before I close I would like to put in a word on behalf of the Indian language press. The Indian language press is the most powerful section of the press and has played a great part in the freedom fight. As against the Indian language press which is most powerful, the English section is most influential. If these advertisement and sales taxes are continued the lot of the language papers will become hard and a day will come when this Parliament will have to sit in judgment as to whether these taxes are to be ever levied or not.

Shri B. Shiva Rao (Madras): I am surprised at the turn that this debate has taken and also at its prolongation. It is a very simple measure and I should have thought that it would prove to be non-controversial.

I am afraid, Sir, my hon. friend Mr. Sidhva is responsible for introducing into this debate a number of points which are almost entirely unconnected with the basic principles of this measure, and the debate having started on those lines I am afraid subsequent speakers, including the last speaker, have wandered further along the path of irrelevancy.

Mr. Sidhva made a very emotional appeal in the course of his long speech the other day to newspaper proprietors to sacrifice a portion of their advertisement rate. Sir, my hon. friend Mr. Goenka, who is not present in the House today, answered that part of his speech effectively. But I would like to remind the House of the very simple issues raised by the Finance Minister when he introduced this Bill. I must point out to my hon. friend Mr. Sidhva that he is labouring under a complete illusion in imagining that the passage of this Bill is going to deprive any Government—whether the Central or State—of any of its revenues.

Shri Sidhva: You have already deprived the Governments of Madras and Bombay.

Shri Shiva Rao: My hon. friend has not read either the provisions of the Bill or the Statement of Objects and Reasons appended to the Bill. I would remind him of the last sentence in the Statement of Objects and Reasons. "The repeal will take effect on the dates suggested by the State Governments concerned."

Sir, there is no question here of either taxing the newspapers or of exempting newspapers from any taxation. It seemed to me rather significant that the Finance Minister

[Shri Shiva Rao]

seemed completely unmoved and unimpressed by the eloquence of my hon. friend the other day. This Bill refers to certain provisions, first of all in the Madras General Sales Tax Act of 1939 which empowers the Madras Government to impose a sales tax on newspapers, and part 7 of the Bombay Finance Act of 1932 which enables the Bombay Government to impose an advertisements tax. This Bill derives its sanction from article 277 of the Constitution. I shall only read the relevant portions of that article:

> "Any taxes...which, immediately before the commencement of this Constitution were being lawfully levied by the Government of any State.....may, notwithstanding that those taxes.....are mentioned in the Union List, continue to be levied.....until provision to the contrary is made by Parliament by law."

Before the commencement of this Constitution only Madras and Bombay had decided to impose, a sales tax, in the case of Madras, and an advertisements tax in the case of Bombay. No other State can hereafter levy, taxes on newspapers—either sales or purchase or advertisement taxes, if I may quote item 92 in the Union List —because they are protected by article 277 of the Constitution. I would like to suggest to my hon. friend Mr. Sidhva that he was wasting his breath in appealing to newspapers to pay non-existing taxes. I did not like to rise to a point of order when the last speaker was on his legs, but it seemed to me that it was completely out of order to refer to the financial position of newspapers, because that question has not arisen at the present moment. If Mr. Sidhva would like to try his eloquence on the Finance Ministers of Madras and Bombay he is at liberty to do so. I believe the Finance Minister of Madras is in Delhi at the present moment. Only I would like to remind him that the repeal has been suggested by those two Governments and he will achieve no more success with them than he has achieved in this House.

Some hon. Members asked the other day, "What will happen if this measure is not passed?" I say nothing will happen, at any rate nothing for the present. Then why pass this measure at the present moment? The Finance Minister said very briefly at the end of the debate the other day that the effect of the passing of this measure is to tide up the present position. As long as these two measures remain on the Statute Book in their present form, namely the Madras General Sales Tax Act of 1939 and the Bombay Finance Act of 1932, it will be open to these two States to levy the sales tax and the advertisements tax respectively. But even Mr. Sidhva does not contemplate such a position, because his amendment says that these two will remain in force only until 1st April, 1952 or until an all-India Act is passed, whichever may be earlier. Therefore there will be no practical effect even if Mr. Sidhva's amendments are accepted. But apart from these amendments—I do not know if he is going to move them or not—I would like to point out that so long as the Madras General Sales Tax and the Bombay Finance Act remain in their present form it will be open to these two State Governments to levy the sales tax and the advertisements tax, not now but in the future until an all-India Act is passed in accordance with item 92 of the Union List. And I would suggest to the House that it would be grossly unfair to newspapers with an inter-provincial circulation that they should be penalised in one part of the country whereas newspapers published in other States which cannot hereafter levy those taxes will be permitted to go free. I will not detain the House further on any other point, because the question of an all-India tax has not arisen.

[Shrimati Durgabai *in the Chair*]

When it arises in the future, when a new Finance Minister takes Mr. Deshmukh's place, it will certainly be open to Mr. Sidhva to appeal to him to levy those taxes. He made a general reference to the judgment of the Supreme Court and he brushed aside the very important considerations raised by the judgment of the Supreme Court of the United States in 1936. I am not going to take more time of the House, but I would like to read out two brief passages from the judgment of the Supreme Court which is concerned with the levying of taxes on advertisements in one of the States in the United States.

In the course of that judgment the Judges of the Supreme Court of the United States quoted a passage from May's *Constitutional History of England*. May, in discussing this problem said, "A new restraint was devised"—this, Madam, refers to Queen Anne's time, somewhat before Mr. Sidhva entered public life:

> "A new restraint was devised in the form of a stamp duty on newspapers and advertisements. This policy, being found effectual in limiting the circulation of cheap

papers, was improved upon in the two following regions, and continued in high esteem until our own time."

That is a quotation from May's *Constitutional History of England.* And then the Judges of the Supreme Court, after discussing the various issues involved, came to the following conclusion:

"The tax here involved is bad not because it takes money from the pockets of the appellants. If that were all, a wholly different question would be presented. It is bad because, in the light of its history and of its present setting, it is seen to be a deliberate and calculated device in the guise of a tax to limit the circulation of information to which the public is entitled in virtue of the constitutional guarantees. A free press stands as one of the great interpreters between the Government and the people. To allow it to be fettered is to fetter ourselves."

Madam, that is the judgment of the Supreme Court and I am quite satisfied to leave it at that. But so far as the present Bill is concerned, I would again remind the House that there is no question here at the present moment of allowing any newspapers to be exempted from taxes of any sort. And I would like to point out to Mr. Sidhva that newspaper concerns pay all the taxes that business concerns pay in the country at the present moment and therefore there is no need for him to make any emotional appeal to newspapers to pay taxes which are not at present in the Statute Book.

Shri Deshbandhu Gupta (Delhi): I do not propose to take much time of the House. In fact I had not thought of intervening in the debate at all after to-the-point speech made by the hon. the Finance Minister while introducing this Bill. I should have thought that a measure so non-controversial would be adopted by the House without much discussion. As my friend Mr. Shiva Rao has just pointed out, the scope of this Bill is very very limited. But my friend Mr. Sidhva, irrepressible as he is, has taken this opportunity not only to indulge in irrelevant observations and remarks but has tried to paint a picture which gives a very false and erroneous impression about the financial position of newspapers which he chooses to call newspaper Industry. Mr. Sidhva's speech, if it is read creates an impression that newspaper proprietors in this country are profiteers and those who are in this House have taken advantage of their presence in the House, canvassed support for something wrong, and have not only succeeded in carrying the Ministers with them but also the House. This is an allegation which cannot be allowed to pass unchallenged. Mr. Sidhva reminded the hon. Finance Minister of the discussion that had taken place on this question when it was discussed in the Constituent Assembly. I have read that debate again as Mr. Sidhva appeared to make out a point that the hon. Finance Minister was not aware of what had happened in the Constituent Assembly and as if the Constituent Assembly had given him all the backing which he needed for indulging in such moral or righteous indignation. I find that he has almost repeated himself in the 40 minutes' speech which he has inflicted on the House. I have also read the speeches delivered on that occasion by the hon. Law Minister who very effectively met his point. In my speech then I had replied to all his points. It will not serve any useful purpose therefore to refer to those speeches now and read out extracts...

Mr. Chairman: May I suggest to the hon. Member speaking that there seems to be a large measure of agreement with the only solitary opposition of Mr. Sidhva? Mr. Sidhva also seems to have been already converted. I do not think that the hon. Member should pursue the point.

Shri Deshbandhu Gupta: I would readily accept the hint given by the Chair, but I know Mr. Sidhva is incorrigible. If my hon. friend, Mr. Sidhva makes a statement that all the wild allegations that he made the other day in the House—were unjustified and incorrect, I would readily conclude my speech and not take more than a minute of this House, but unfortunately Mr. Sidhva still believes that the wild allegations made by him are facts and persists that the picture of newspapers that he has painted is correct. It has become, therefore, necessary for me both as a Member of this House and as President of the All-India Newspaper Editors Conference to challenge those allegations and to prove to the satisfaction of the House, if not to the satisfaction of Mr. Sidhva, that he has been very unfair in making such reflections on the newspapers of this country, which have rendered yeoman service to the cause of the nation.

Let me remind Mr. Sidhva of what had happened in the Constituent Assembly. I do not propose to read out long extracts but would like to

[Shri Deshbandhu Gupta]

point out that on a similar occasion when he had cast aspersions on the Law Minister, and had said that he was influenced by the influential members of the newspaper fraternity into accepting that amendment, the hon. President, who is the President of the Repubic today, had remarked:

> "I confess Mr. Sidhva that I have not been impressed by your moral indignation. I have not seen any cause for it; it is a simple amendment moved by the Drafting Committee and I do not see anything wrong in the amendment proposed."

This holds good as it did at that time.

Shri Sidhva: Read further.

Shri Deshbandhu Gupta: If I had the time, I would have reproduced Mr. Sidhva's speech and my speech, which form part of that debate. Mr. Sidhva asks what was the answer? Mr. Sidhva had said: "Out of all, why should the newspaper be singled out?" This was the answer and the President said: "Well, that is a different matter." Mr. Sidhva wants me, Madam, to cover the whole ground again and to tell this House and Mr. Sidhva what was the reason to give a distinctive treatment to newpapers. But incorrigible as he is, I do not hope to convince him. I would however refer him to the arguments given by the Law Minister at that time. The three arguments that he had given were: That newspapers were concerned with the freedom of the Press and as such it was necessary that any tax which affected the freedom of the Press should come in the Central list.....

Shri Venkataraman (Madras): Then why not exempt newspapers from all taxes?

Shri Shiva Rao: I am sorry to interrupt the hon. Member. I agree entirely with him in his argument but I would like to know, Madam, whether we are discussing at the present stage an amendment of the Constitution.

Mr. Chairman: I think that part of the speech is absolutely irrelevant for the present purpose.

Shri Deshbandhu Gupta: I bow to your ruling.

Mr. Chairman: I would request hon. Members to be very brief, because the more they speak, the chances are that they will be reconverting Mr. Sidhva to his point of view.

Shri Deshbandhu Gupta: I know I am up against a very difficult task because to convert Mr. Sidhva is to convert a mountain.

Shri Sidhva: If you have a good case, you convert me. It only proves that you have not got a good case.

Shri Deshbandhu Gupta: In fact so far as the question of relevancy is concerned, because Mr. Sidhva had raised those points, I think I am well within my right to reply to those points but since you would like me to be brief—and I know the whole House is with me—I would not like to waste the time of the House in converting the inconvertible. I may still refer to one or two remarks that he had made. He had said that the newspapers were roaring in business. That was one point.

Shri Sidhva: Not all. Kindly quote me correctly.

Shri Deshbandhu Gupta: I am quoting Mr. Sidhva correctly in his own words, unless he has changed his mind. Mr. Sidhva said: "Today the newpapers are doing a roaring business in making money, not through advertisements but from the subscribers. In the name of high prices of newsprint, they are increasing the sale price of newspapers. Today the newspapers are the property of the public etc."

Then again he says: "On the contrary the price of a newspaper has risen from 2 annas to 2½ annas. They have also cut down the size. This is God sent famine to these newspapers and in this curtailment of pages of newspapers they are making good money....."

Shri Sidhva: On a personal explanation, my hon. friend has omitted what I have stated. Mr. Chairman, I made it very clear and said: For the periodicals and the small newspapers give them the benefit. Do not tax them at all. I said this in the Constituent Assembly and I am saying it today. Some of the small periodicals and weeklies have been and are today suffering. Kindly quote me fully.

Shri Deshbandhu Gupta: I have read the extract as it appears in the proceedings. If Mr. Sidhva wants me to repeat his entire speech, I am not going to oblige him.

Shri Sidhva: Because that does not suit you.

Shri Deshbandhu Gupta: Mr. Sidhva says: This is God sent famine to these newspapers and in this curtailment of pages of newspapers, they are making

good money. They are certainly complaining that they have no newsprint but in their heart of hearts they are very glad because expenses are considerably reduced by the size of the newspaper and in other ways, which you can find out by looking into their balance sheets."

Shri Sidhva: I maintain that.

Shri Deshbandhu Gupta: I know Mr. Sidhva is not to be converted. But, he should realise that in casting aspersions on the newspaper proprietors as such is not fair.

Shri Sidhva: I am not casting any aspersions.

Shri Deshbandhu Gupta: You did. What more could he say? In fact, he went to the extent of maligning my friend Mr. Ramnath Goenka, who is the President of the Indian and Eastern Newspaper Society.....

Shri Sidhva: Naturally, he would oppose me.

Shri Deshbandhu Gupta: Mr. Sidhva said:

> "My hon. friend Mr. Goenka is not going to suffer if this Bill is held over for one year or till the next session. I am mentioning him, particularly because he took great interest, and I am sure he is going to take great interest in this matter. He has a right to take the greatest interest as a Member of this House. I do appeal to him to bear in mind the general interest of the country and the people rather than the interest of himself and his company."

Shri Sidhva: What is wrong?

Shri Deshbandhu Gupta: Certainly, if Mr. Sidhva does not even now realize what was wrong, I would reluctantly remind him of the remark which was once made by Dr. Ambedkar about Mr. Sidhva himself.

Shri Sidhva: I say, read the whole thing.

Shri Deshbandhu Gupta: Then, Mr. Sidhva was up in anger against Dr. Ambedkar, who had only said:

> "I submit, notwithstanding the declamations of my hon. friend Mr. Sidhva which I can understand, because he is smarting under a great injury which he suffered in another place, I say that there can be no objection to the entries that we have proposed."

Mr. Sidhva resented those remarks in these words:

> "Sir, I take exception to Dr. Ambedkar's remarks when he said that I am smarting under some injury. I shall pay him in his own coin unless you ask him to withdraw those remarks."

Mr. Chairman: Are we re-opening the whole thing?

Shri Sidhva: He is quoting only portions. He must read the whole thing. Dr. Ambedkar had to withdraw.

Mr. Chairman: I do not think it is necessary to start the whole thing *de novo*.

Shri Deshbandhu Gupta: I am sorry, Sir, that Mr. Sidhva has not the decency even today to realise that he has been unfair to the newspapers of India and to the Members of this House who come from the newspaper profession in making such remarks and that the picture which he has painted is wholly false and erroneous.

Shri Sidhva: Absolutely incorrect.

Shri Deshbandhu Gupta: He wanted to create an impression that the Members belonging to the newspaper fraternity in this House have used their influence in persuading this House or the Constituent Assembly in agreeing to this proposal. This is a reflection on the whole House; this is a reflection on the Constituent Assembly which had agreed to put the newspaper tax in the Central list.

Shri Sidhva: Was not a requisition taken from 64 Members of the Constituent Assembly? What does that mean?

Shri Deshbandhu Gupta: That means support of the Members of the Constituent Assembly.

Shri Sidhva: That means canvassing.

Shri Deshbandhu Gupta: It is not well to indulge in such remarks and observations particularly for Mr. Sidhva. We are all Members of this House. We have got every right to expess our views according to the best of our lights. It does not behave any Member to ascribe any such motive to any Member of this House.

I do not propose to take any more of the time of this House because all that could be said in favour of this Bill has already been said by my hon. friend Mr. Shiva Rao and earlier by Mr. Goenka. I only want to point out that today the newsprint prices

[Shri Deshbandhu Gupta]

have gone up from £36 to £115 for ton. The resale value of the waste newspaper today which my hon. friend Mr. Sidhva may also be availing of is from 2 to 3 pice per copy and the price of newsprint alone of a 8 page paper is from 4 to 5 pice at the present market rate. Let Mr. Sidhva calculate. If four to five pice were paid for newsprint alone, and 25 to 30 per cent. commission on that is to be given to hawkers, what is it that the newspaper proprietors save on it. He says that he had been a journalist before Mr. Joachim Alva was born. Those must have been good old days or he must have been a journalist of a subsidised paper. He also said that he had helped some papers in getting subsidy from the Government.

Shri Sidhva: Not like some of your papers.

Shri Deshbandhu Gupta: I wish he had known more about the economics of the newspapers. I do not wish to pursue this matter any further. I want to tell him that today the newspaper industry is faced with a very serious crisis. Let him not create a wrong impression that newspapers in India are making money. According to his own calculation, he had estimated that 80 per cent. of the newspapers cannot afford to pay these taxes. This too, he may have forgotten. In his own speech in the Constituent Assembly, he had said that 80 per cent. of the newspapers could not afford to pay any taxes. Out of the remaining 20 per cent., according to my calculations, there are not more than a few dozen or so which may be better placed. Today, the situation is so serious that we are approaching Canada and other newsprint producing countries to give us some newsprint at any cost and many papers are threatened with virtual closure. Inspite of this Mr. Sidhva feels that newspapers in India are rolling in wealth and making money. Is it not amaging? The newspapers which have contributed so much to the cause of freedom and are today faced with a crisis surely deserve better of this House. Mr. Sidhva has perhaps forgotten that out of 145 papers in 1942, as many as 96 had voluntarily closed their business on that memorable day the 9th of August as soon as the Quit India Resolution was passed. I feel proud of this fact and any country should be proud of such newspapers. Ninety-six out of 145 papers closed their business at a moments notice.

Shri Kamath (Madhya Pradesh): How many were dailies, and how many weeklies?

Shri Deshbandhu Gupta: Mostly dailies. This is the position. Not only that. They have all along suffered under foreign rule. All the nationalist papers were discriminated against under the old regime. There were few anti-national which may have been subidised papers still receiving better treatment. But, most of these papers which contributed to the fullest extent to the cause of freedom are still faced with difficulties. To say that these newspapers are rolling in wealth and making money, unmindful of their duty, that they are not patriotic enough to contribute to the offers of the Government, is the height of injustice to them. I would also remind my hon. friend that not only did they suffer and voluntarily closed their business; even today, there are large numbers of nationalist papers which do not accept liquor advertisement, because the Government's policy is in favour of Prohibition, and which did not accept foreign cloth advertisements in those days. All these facts should be borne in mind when we discuss these questions. Then, Sir, the question before us today is not of exempting newspapers from sales tax as the House has been rightly reminded by my hon. friend Mr. Shiva Rao. If and when that time comes, we will go into that question. After placing all these facts before him, I would humbly request my hon. friend Mr. Sidhva, not to be carried away by this enthusiasm for taxing newspapers. He should realise that most newspapers today are passing through a very great crisis. Only last week, I attended a meeting of Indian Language newspers society in Bombay. I was told that many small language papers were on the brink of closing their business. Today, newsprint which at one time used to be had for 1 anna or 0-1-6 and which even during the war days was selling at 3 annas a pound, is selling at about 12 annas a pound. Even then it is not to be had easily. He does not realise the seriousness of the situation. Most of these papers will have to close their shop if the newsprint position does not improve. The Bill which my hon. friend, the Finance Minister has brought forward and which only seeks to carry out an obligation which the Constituent Assembly had placed upon this Parliament. In fact, it should have come much earlier before this House. The implication of the provision which refers to this matter in the Constitution was that after the Constituent Assembly had thought it

fit in their wisdom to include sales tax and advertisement tax on newspapers in the Central list, there should have been no sales or advertisement tax on newspapers by State Governmets. Simultaneously when this was done they should have voluntarily adopted that attitude and given up the taxes levied on a provincial basis, but that was not done. The Indian and Eastern Newspaper societies and the All India Newspaper Editors Conference jointly approached the hon. Minister's predecessor and urged on him that the provision of the Constitution should be embodied in the form of a Bill at the earliest. I am glad therefore that after the lapse of eighteen months at least it has been possible for the Government to bring forward a measure of this kind. I hope the House will give it its wholehearted support and the existing anomaly that in the presence of article 277 it is difficult for State Governments to do away with the sales tax even if they wish to do so. I hope the House will unanimously agree to this measure. With these few words I support this Bill.

The Minister of State for Parliamentary Affairs (Shri Satya Narayan Sinha): The question may be put.

Mr. Chairman: The question is:

"That the question be now put."

The motion was adopted.

The Minister of Finance (Shri C. D. Deshmukh): There are just one or two points which have been raised and which I would like to clear. We seem to be caught in the aftermath of old passions; and I am sorry for myself for being entangled in this matter of newspapers, but I do not know if I am sorry for Mr. Sidhva.

Anyway, this matter, I may say, was started in view of the provisions made by the Constituent Assembly and it was on the basis of that change that we addressed the two governments concerned. We said that the provision was inserted to meet the persistent demand in the Constituent Assembly that such tax should, if at all, be levied on an all-India basis. We, therefore, asked the Bombay Government to agree saying that it has become imperative for the Government of India to lay down a uniform policy in the matter of the sales-tax and advertisement tax on newspapers by the various States. We referred to the position that this measure affected only the States of Bombay and Madras. It was in response to this that the two Governments agreed to this. Madras was already thinking on these lines and was going to amend their Sales Tax Act. Bombay after consideration also agreed that pending the consideration of this matter on an all-India basis, this tax should be abolished. There is nothing to be gained now by the passing of this. The only point is that it leaves the situation in an orderly manner. The tax would otherwise remain in theory and remain on the Statute Book and that is not very desirable if the tax is not being collected. The Bombay Government has also issued a press-note to the effect that with effect from the 1st of April, 1951 newspaper advertisement taxes will not operate. Though the Bombay Finance Act had not yet been enacted, the Government of Bombay decided to implement the provisions thereof by not collecting newspaper advertisement taxes with effect from the 1st of April, 1951. No tax on newspaper advertisements will, therefore, be levied on or after the 1st of April, 1951. It is because of this that we proceeded to enact this measure.

There is only one point more that I have to deal with, and that was raised by Mr. Krishnamachari. I do not think it is necessary to insert in the present Bill any definition of the term newspaper. All that we are doing is to repeal whatever legislation there is in this regard in Bombay and Madras, and indeed, the word newspaper, as an independent word does not occur in this Bill. It refers to newspapers and the words "and of newspapers" are taken from the Madras Act. And it merely says in clause 3, that "Part VII of the Bombay Finance Act, 1932 is hereby cancelled." Therefore, any definition will not relate to any word that is used in the Bill. I would also submit that once these measures are repealed then we shall be left with a sort of situation in which one would have to interpret the sale or purchase of newspapers and taxes on advertisements published therein. If the Government of Madras, for instance, were to levy some form of sales-tax on a periodical which they regard a newspaper, then it would be open to the public to challenge it on the ground that they have no longer any authority to collect that tax. Therefore, I do not think this amendment is necessary.

I hope that in view of this discussion the two amendments will not be moved and that only the one I am moving which is of a formal nature need be accepted, and that we shall now proceed with the considering and passing of this Bill.

Mr. Chairman: The question is:

"That the Bill to provide for the repeal of certain State laws in so far as they sanction the levy of taxes on the sale or purchase of newspapers and on advertisements published therein, be taken into consideration."

The motion was adopted.

Clause 2.—(*Amendment of Madras Act IX of 1939*)

Shri C. D. Deshmukh: I beg to move:

In clause 2, for the words "shall cease to have effect" substitute the words and figures "shall be deemed to have been repealed on the 1st day of January, 1951".

This is self-explanatory.

Mr. Chairman: Amendment moved:

In clause 2, for the words "shall cease to have effect" substitute the words and figures "shall be deemed to have been repealed on the 1st day of January, 1951".

I would like to know if Mr. Sidhva wants to move his amendments. If this amendment just now moved is accepted, then his would be out of order.

Shri Sidhva: Only if it is accepted. But all the same I have the right to move my amendment.

Mr. Chairman: The hon. Member may move his amendment, if he wants to.

Shri Sidhva: I beg to move:

In the amendment proposed by the hon. Shri C. D. Deshmukh for the figures and words "1st day of January, 1951" substitute the figures and words "1st day of April, 1952 or immediately after the Act on an all-India basis is passed, whichever is earlier".

My amendment says that this Act may be allowed to continue up to 1952 so that we may have an opportunity to see what kind of amendment the hon. Minister is likely to bring under Article 277. Sales tax on various items is levied by various States. That right of the State Governments to levy sales tax as they like has upset the economy of the country. Therefore it would have been in the fitness of things for the Finance Minister if he had brought in a proposal for adjusting all these sales taxes before taking this item up.

The main point is that the local bodies are deprived of the right to levy terminal tax. Under article 277 they can bring an amending Act to allow levy of terminal tax by the Centre which will go to the local bodies. Nobody has touched on that main point and every body has been harping on the newspapers. Therefore it is not correct for Mr. Deshbandhu Gupta to say that I have brought in all kinds of irrelevant matters in the discussion.

Shri J. R. Kapoor (Uttar Pradesh): Bombay and Madras do not want this tax.

Shri Sidhva: It is not correct to say that. They had opposed it in the Constituent Assembly and therefore they have no other alternative. That is the main point to be borne in mind. For nation-building programmes the State has to find the money and they do not get the money from the Centre. In answer to my speech no other Member has spoken except newspapers interests.....

Mr. Chairman: Ultimately the two State Governments have agreed to the position and I do not know what the point of the hon. Member is.

Shri Sidhva: But under what circumstances they agreed. Naturally the State Governments are not in a position to act contrary to the Constitution. The Finance Minister instead of giving a reply to that says that he is sorry for me. He is happy about what controversy has taken place and he seems to have enjoyed it.

Shri C. D. Deshmukh: I said I am unhappy.

Shri Sidhva: That certainly means the same: that means that he enjoyed at whatever epithets have been showered upon me. He should be above all these things and should have answered my point, whereas he ignored it. Is he going to bring an amendment to the Act? I am not concerned whether the newspapers are going to benefit by it. Mr. Deshbandhu Gupta stated that newspapers had done so much sacrifice. He screamed about the newspaper famine and said that they were prepared to pay any price for news-print and yet they do not get it. What am I to do for it? How can I be blamed for it? He has misquoted me but I can quote Dr. Ambedkar. He said that he would not allow newspapers to go without paying any tax in the manner he warned them. If I had the time I would read paragraph after paragraph to convince the House that Dr. Ambed-

kar opposed the newspaper combination.

Pandit Thakur Das Bhargava (Punjab): Is all this relevant to the amendment?

Mr. Chairman: When these two States have agreed there is no use pursuing the point. Have they sent any representation to the hon. Member privately?

Shri Sidhva: They have not sent me any representation but I do know how they are suffering and it is my duty to bring it before the House.

Shri Shiva Rao: It will take effect on the date suggested by the State Governments concerned and these dates have been suggested by the State Governments themselves. In the circumstances I do not know what the hon. Member is arguing.

Shri Sidhva: Under what circumstances have the State Governments agreed? I want the Government to give them relief for one year and if they do so, adjustments will be made. Why make an exception in the case of the newspapers? That is the point.

Mr. Chairman: Whatever may have been the circumstances they have ceased to have any effect after they had agreed. There is no point in arguing it further.

Shri Deshbandhu Gupta: The Constitution has to be amended.

Shri Sidhva: If the Chief Ministers of States had been here I am sure they would have expressed their views. They are not happy about what is being done and I know that. I had a discussion with the Bombay Ministers on this matter and they were not happy. I do not dispute the fact that they have agreed nor do I want the Constitution to be changed but if it can be changed I would certainly support the move.

Shri T. T. Krishnamachari: Even if the hon. Member's amendment is accepted it would not be valid. The State Governments have ceased to levy the tax and once they have ceased to levy it they cannot renew it. As the Finance Minister put it this Bill is merely regularising a procedure which is already in operation. Even if my hon. friend's amendment is accepted the position will not change.

Shri Sidhva: That is a different matter. Whether it is accepted or not is a matter left to the House. If my amendment is held to be in order I am right in suggesting what I desire to suggest. I do feel that my hon. friend Deshbandhu Gupta wanted to ridicule me. He may have the gratification of having ridiculed me and let him please himself. If his newspaper writes against me tomorrow I do not worry about it.

Shri Deshbandhu Gupta: What is the guarantee?

Shri Sidhva: I do not want any guarantee and I am sure you will write it. When we make proper and legitimate speeches we hardly get eight lines and perhaps tomorrow I will get two columns. There is nothing unusual in this and I know their art.

I had great respect for Mr. Deshbandhu Gupta and I stated it in the Constituent Assembly that Mr. Mazumdar and he had grown up from the bottom. They were not really born to be newspaper men. They may say that I know nothing about it but I know much more than they. Mr. Deshbandhu Gupta was in his mood today and he was abusing every thing.

Shri Deshbandhu Gupta: The hon. Member is forgetting his old speech.

Shri Sidhva: Let me tell my friend that whatever I said was with the best of intention and I said it in the best spirit. I maintain what I have said: it was honestly stated. He may not agree with me but he has no business to say that whatever I have stated with all honesty is incorrect. (*Shri Deshbandhu Gupta*: I never questioned it.) You do it with the best intention and I have a right to say what I said with the best of intentions. What quarrel have I with newspapers? On the contrary I know that if I quarrel with newspapers I will not get any place in the newspapers.

Shri Deshbandhu Gupta: I can assure my hon. friend that the newspapers will not be vindictive.

Shri Sidhva: It is good of you. I know I am taking a great risk in what I have been saying and I wish some of my hon. friends who feel like me have the courage to come forward, but they do not want to speak. Even Mr. Kamath who is generally outspoken has not come forward to speak because he knows that tomorrow he will not get any space in the newspapers.

I only wanted an assurance from the Finance Minister. Will he kindly bring an amendment to article 277. I am particular about terminal tax for

[Shri Sidhva]

I know how local bodies are suffering. Would he give an assurance that at least in next session he will bring such an amendment. The Central Government actually appointed a Finance Committee and every body on it said that this terminal tax should go to the States. Every local body has passed resolutions to the same effect.....

Shri J. R. Kapoor: Not newspapers.

Shri Sidhva: My friend Mr. Kapoor forgets what article 277 is. It says that the Central Government have a right to bring an amending Bill regarding terminal tax for local bodies. It is there. You have picked up the newspapers and left the other items untouched.

11 A.M

Shri Deshbandhu Gupta: May I know if he is speaking as the President of the Local Bodies Association?

Shri Sidhva: You are speaking on whose behalf? You made it very clear that you are the President of the Newspaper Society, and you have the cheek now to say that I am speaking as President of the Local Bodies Association. I have never said that, but you have yourself exposed your part.

I know what circumstances this amendment, if pressed to vote, will meet. I wanted to express my views and I have done so. I do not want to press my amendment.

Mr. Chairman: I will then put the amendment of the hon Minister to vote. The question is:

In clause 2, for the words "shall cease to have effect" substitute the words and figures "shall be deemed to have been repealed on the 1st day of January, 1951".

The motion was adopted.

Mr. Chairman: The question is:

"That clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 3.—(*Repeal of Part VII of Bombay Act II of* 1932)

Mr. Chairman: On this clause also there are two amendments of Mr. Sidhva.

Shri Sidhva: They are identical with the ones I have moved, so I do not wish to move them.

Amendment made:

In clause 3, for the words "Is hereby repealed" substitute the words and figures "shall be deemed to have been repealed on the first day of April, 1951".

—[*Shri C. D. Deshmukh*]

Mr. Chairman: The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Clause 4 was added to the Bill.

Clause 1.—(*Short title and commencement*)

Amendment made:

For clause 1, substitute the following:

"1. *Short title.*—This Act may be called the Tax on Newspapers (Sales and Advertisements) Repeal Act, 1951."

—[*Shri C. D. Deshmukh*]

Mr. Chairman: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Shri C. D. Deshmukh: I beg to move:

"That the Bill, as amended, be passed."

Mr. Chairman: Motion moved:

"That the Bill, as amended, be passed."

श्री जे० आर० कपूर : मुझे बहुत हर्ष है कि इस समय हम इस विधेयक को शीघ्र ही मंजूर करने जा रहे हैं। जिस के अनुसार बम्बई और मद्रास राज्यों में, जो समाचार पत्रों पर अब तक कर लगा हुआ था, उस को हम लोग हटा देंगे। इस विधेयक के आवजेक्ट्स और रीजन्स (Objects and Reasons)

के स्टेटमेन्ट (statement) में यह बात दी गई है कि जब तक कि सारे देश के लिये एक नीति निर्धारित नहीं हो जाती, तब तक के लिये यह उचित है कि मद्रास और बम्बई राज्यों में जो यह कर लगाया हुआ था, उस को हटा दिया जाय, जिस से इन राज्यों की स्थिति भी वही हो जाय, जो इस देश के और राज्यों की है। यह बहुत ठीक बात है। लेकिन मैं आशा और विश्वास करता हूं कि सारे देश के लिये जब नीति निर्धारित करने पर विचार किया जायगा, तो इस बात का ध्यान रक्खा जायगा कि देश के किसी भी समाचार-पत्र पर और उस में जो विज्ञापन छपते हैं, उन पर कोई कर नहीं लगाया जाय। अगर सारे देश के लिये नीति निर्धारित करते समय, जैसा कि सिधवा साहब चाहते हैं, यह कर दिया जाय कि सब समाचार-पत्रों और विज्ञापनों पर कर लगाया जाय, तो मैं उस से बिल्कुल सहमत नहीं हूं। सभानेत्री जी, आप को स्वयम् ही इस का अनुभव है कि कितनी कठिनाइयों से समाचार-पत्र निकाले जाते हैं। आप का सम्बन्ध मुझे मालूम है कि समाचार-पत्रों से रहा है, आप स्वयम् एक सुयोग्य सम्पादिका हैं किसी प्रमुख पत्र की, आप को अनुभव है कि समाचार-पत्रों को कितनी कठिनाइयों का सामना करना पड़ता है। मैं इस बात से सहमत अवश्य नहीं हूं कि यदि कोई समाचार-पत्र बहुत लाभ उठा रहे हैं, तो उन को इस लाभ में से केन्द्रीय सरकार को कर न देना चाहिये, लेकिन वह तो एक दूसरी बात है। वह कर तो समाचार-पत्रों की आमदनी पर भी लगता है, जैसे किसी की आमदनी पर इन्कम टैक्स लगता है, लेकिन प्रश्न तो यह है कि समाचार-पत्रों पर सेल्स टैक्स (Sales tax) बिक्री कर लगे या न लगे। क्योंकि इस टैक्स के लगने से तो समाचार-पत्रों को जो निकालते हैं, उन की जेब से कुछ नहीं जाता, बल्कि यह उन की जेब से जाता है, जो समाचार-पत्र पढ़ते हैं। सम्भव है कि हमारे माननीय मित्र सिधवा साहब यह चाहते हैं कि बहुत से लोग समाचार-पत्र न पढ़ें, लेकिन जो लोग यह चाहते हैं कि समाचार-पत्र ज्यादा से ज्यादा इस देश में बढ़ें और जो चाहते हैं कि इस देश की जनता समाचार-पत्रों के द्वारा अधिक से अधिक समाचार सुने, विशेष कर ऐसे समय में जब कि हमारे नये चुनाव होने जा रहे हैं, तब तो यह अत्यन्त आवश्यक है कि समाचार-पत्र कम से कम दामों में बिकें। सेल्स टैक्स लगने से उन के दाम बढ़ेंगे, जिस के माने यह होंगे कि पढ़ने वालों की गिनती कम हो जायगी और समाचार-पत्रों की बिक्री भी कम हो जायगी।

इस लिये सभानेत्री जी, मैं आप के द्वारा सरकार से यह प्रार्थना करूंगा कि आगे चल कर भी जब सारे देश के लिये कोई एक नीति निर्धारित करने का प्रश्न उन के सामने आये, तो वह इसी निर्णय पर आयें कि किसी समाचार-पत्र के ऊपर विक्रय कर न ले। इस सम्बन्ध में, सभानेत्रीजी, मुझे एक निवेदन समाचार-पत्र वालों से भी करना है और वह यह कि जब हम लोग इस बात के लिये बहुत उन्मुख हैं कि समाचार-पत्र ज्यादा से ज्यादा बढ़ें, उन की बिक्री ज्यादा से ज्यादा हो, तो इस बात की भी हम आशा करते हैं कि वह समाचार-पत्र वाले अपने समाचार-पत्रों को सुचारु रूप से

[श्री जे० आर० कपूर]

चलायें। मुझे इस सम्बन्ध में यह कहते हुए खेद होता है कि वर्तमान परिस्थिति वह है कि रोज नये नये जो बहुत से अखबार निकलते आते हैं, वह आज देश और समाज की सेवा नहीं कर रहे हैं, बल्कि उस का अहित कर रहे हैं। यह बात नये अखबारों और नये समाचार-पत्रों के लिये ही लागू नहीं होती, बल्कि कुछ पुराने समाचार-पत्र भी हैं, जिन के लिये कुछ अंश में यह शिकायत लागू होती है। समाचार-पत्रों का यह परम धर्म है, यह परम कर्तव्य है कि वह जनता के नैतिक स्तर को ऊंचा उठायें।

लेकिन हमें खेद के साथ इस समय यह कहना पड़ता है कि बहुत से समाचार-पत्र ऐसी झूठी खबरें छाप देते हैं, ऐसी मनगढ़त खबरें छाप देते हैं और इस प्रकार के व्यक्तिगत आक्षेप करते हैं, जो उन्हें शोभा नहीं देते। और इस का नतीजा यह होता है कि समाज का नैतिक स्तर गिरता चला जाता है। जो लोग उन को पढ़ते हैं, उन की रुचि बिगड़ती चली जाती है और इस लिये ऐसे समाचार-पत्र, बजाय समाज-सेवा करने के, समाज का अहित करते हैं। मुझे आशा और विश्वास है कि समाचार-पत्रों के लेखक और सम्पादक .....

मिस्टर चेयरमैन: मैं कहना चाहती हूं कि शायद माननीय मेम्बर बधाई का व्याख्यान दे रहे हैं। यह तो बहुत कम हो सकता है।

श्री जे० आर० कपूर: मैं बधाई का व्याख्यान दे रहा हूं, लेकिन उस के साथ साथ समाचार-पत्रों को चेतावनी भी देना चाहता हूं, क्योंकि सरकार के सामने यह प्रश्न उपस्थित है और इस के स्टेटमेंट आफ आबजेक्ट्स के अनुसार यह भी है कि आगे चल कर सरकार समाचार-पत्रों पर कर लगाये या न लगाये, इस लिये जब एक ओर मैं सरकार से प्रार्थना करता हूं कि वह ऐसा न करें, तो दूसरी ओर मैं समाचार-पत्रों से भी प्रार्थना करता हूं कि वह ऐसी परिस्थिति पैदा न करें, जिस से सरकार बाध्य हो जाय टैक्स लगाने के लिये, और ऐसी परिस्थिति पैदा न करने के लिये उन्हें यह दिखाना चाहिए कि वह समाज की इतनी अच्छी सेवा कर रहे हैं कि सरकार को कोई टैक्स लगा कर उन के खिलाफ कदम नहीं उठाना चाहिए। इस लिये मैं समाचार-पत्र वालों से यह प्रार्थना कर रहा हूं कि वह अपना इस तरह का एक संगठन कर लें, जो पूर्ण रूप से समाचार-पत्रों के ऊपर नियंत्रण रख सके। सभानेत्री जी, इस बारे में मेरा बहुत निश्चित मत है और मेरे फीलिंग्स (feelings) काफी स्ट्रोंग (Strong) हैं, इस लिये मैं यह प्रार्थना कर रहा हूं। संसद् के बहुत से सदस्यों से मेरी इस सम्बन्ध में बातचीत हुई है और संसद् के बाहर जो लोग हैं उन से भी, और उन सब को इस बात की बड़ी चिन्ता है कि हमारे समाचार-पत्र क्या रुख अख्तियार कर रहे हैं, किस ढंग से वह चल रहे हैं और वह समाज को कहां ले जाना चाहते हैं। बहुत से हिन्दी, उर्दू, के पत्र और गैर अंग्रेजी पत्र और कुछ अंग्रेजी पत्र भी इस बुरी तरह से गाली गलौज करते हैं, जिस से देश का बहुत अहित हो रहा है। इस लिये इन लोगों को चेतावनी देना बहुत आवश्यक है।

तो मैं यह निवेदन कर रहा था कि इन समाचार-पत्र वालों को एक बात

इंडिया संगठन कर लेना चाहिये जिस का कि यह कर्तव्य हो कि वह देखे कि देश में जितने भी समाचार-पत्र हैं, वह एक ऊंचे स्तर पर चलते हैं। यह काम कठिन अवश्य है, लेकिन इस कठिन काम को उन्हें निश्चय ही करना चाहिये। यदि वह सब इस काम को अपने हाथ में नहीं लेते, तो हम लोगों को यह देखना पड़ेगा और सरकार को भी यह देखना पड़ेगा कि किस तरह से समाचार-पत्रों के ऊपर ऐसा नियंत्रण रखा जाये कि वह देश की सेवा करें, न कि अहित करें जैसा कि बहुत से समाचार-पत्र इस समय कर रहे हैं। तो मेरा तो सुझाव उन के लिये यह है कि वह एक आल इंडिया संगठन करें, जिसका कार्य केवल यह हो कि वह सब तरह के समाचार-पत्रों को नित्य देखते रहें कि वह ठीक तरह के लेख लिखते हैं या नहीं और वह ठीक तरह के समाचार देते हैं या नहीं और गाली गलौज तो नहीं करते, इत्यादि इत्यादि।

Mr. Chairman: I do not think it will be fair to take advantage of this occasion to educate the news paper editors.

श्री जे० आर० कपूर: सभानेत्री जी, मेरा निवेदन यही है कि समाचार-पत्र वाले यह देखें कि वह समाज की सेवा कर रहे हैं या नहीं। वह देश के मुख्य मुख्य स्थानों में एक विशेष व्यक्ति को नियत कर दें, जो कि यह देखा करे कि उस प्रान्त में या देश के उस टुकड़े में जिस में, कि वह नियुक्त है, जो समाचार-पत्र निकलते हैं, उन में कोई बुरी बात तो नहीं निकलती। इस में काफी खर्चा जरूर पड़ेगा, लेकिन मैं समझता हूं कि यदि वह इस कार्य में सरकार से सहायता के लिये प्रार्थना करेंगे, तो सरकार भी उन को इस कार्य में आर्थिक सहायता देगी।

एक बात और मुझे कहनी है। विज्ञापनों पर टैक्स तो हम नहीं लगाने जा रहे हैं, लेकिन समाचार-पत्रों को यह देखना चाहिये कि वह भद्दे-भद्दे विज्ञापन अपने समाचार-पत्रों में न निकाल। बहुत से समाचार-पत्र जरूर ऐसे अच्छे हैं, जैसा कि मेरे माननीय मित्र देशबन्धु जी ने कहा, कि वह भद्दे विज्ञापन या ऐसे भी विज्ञापन, जो सरकार की मद्यपान निषेध नीति के विरुद्ध हैं, नहीं छापते, लेकिन ऐसे समाचार-पत्रों को उंगलियों पर गिना जा सकता है। अधिकतर समाचार-पत्र तो केवल यही देखते हैं कि कैसा भी विज्ञापन हो, यदि उन को पैसा मिलता है, तो वह उसे छाप दें। इस लिये मैं निवेदन करूंगा कि समाचार-पत्रों को ऐसे विज्ञापन नहीं छापने चाहिये, जो उचित न हों। जिन विज्ञापनों को हम नहीं चाहते कि हमारी बहू-बेटियां या लड़के-लड़कियां पढ़ें। मैं उन विज्ञापनों का नाम तो नहीं लेना चाहता, लेकिन सभानेत्री जी आप को अनुभव होगा कि वह भद्दे विज्ञापन किस प्रकार के होते हैं, क्योंकि आप का सम्बन्ध समाचारपत्रों से है। तो मेरा निवेदन यह है कि ऐसे विज्ञापनों को नहीं छापना चाहिये। लेकिन यदि ऐसा न हुआ, तो मैं कहूंगा कि न केवल उन विज्ञापनों पर टैक्स लगाया जाये, बल्कि इतना ज्यादा टैक्स लगाया जाय, जिस से कि वह छप न सकें। बल्कि ऐसे विज्ञापनों पर तो कानून द्वारा नियंत्रण लगाना चाहिये। यही मेरा निवेदन है।

अन्त में मैं हर्ष प्रकट करता हूं कि शीघ्र ही हम इस विधेयक को पास करने जा रहे हैं।

(English translation of the above speech)

Shri J. R. Kapoor: I am glad to find that we are soon going to pass the Bill whereby we would be abolishing the tax that had hitherto been charged from newspapers in Bombay and Madras States. It is given in the Statement of Objects and Reasons of this Bill that until a uniform policy is laid down for the whole of the country it is proper that the tax imposed in the States of Madras and Bombay be abolished so that the position in these States should also come to the plane of the other States of this country. This is quite reasonable. However, I hope and believe that when the question of formulating a uniform policy for the whole of the country comes to be considered it will be kept in view that no tax is imposed upon any newspaper in the country or on the advertisements appearing therein. I do not at all agree with the proposal put forward by Shri Sidhva for imposing tax on newspapers and the advertisements appearing in them. Madam Chairman, you are yourself aware of the great difficulties attending the publication of a newspaper. I know that you have been connected with newspapers, and are yourself the editor of a leading newspaper and that you know by experience what difficulties newspapers have to contend with. Of course I do not concede the plea that if some newspapers are making enormous profits they should not pay anything out of it to the Government by way of income-tax, but then, that is a different matter. That kind of tax is levied on the incomes of newspapers in the same way as income-tax is charged from private individuals. The question, however, is whether or not a sales-tax should be charged from newspapers. If such a tax is charged its burden would not fall on the newspapers but on those who read them. Maybe our friend, Shri Sidhva, does not want that many people should read newspapers but all those persons who want that newspapers in this country should have the largest possible circulation, and that the people here should receive the widest possible information through the newspapers, particularly at a time when the new elections are in the offing would deem it essential that newspapers should sell at the minimum prices. Their prices would increase with the imposition of the sales-tax with the result that the number of readers would be reduced as also the sale of the newspapers.

Hence, Madam, I would submit to the Government through you that even in the future when the question of laying down a uniform policy for the whole country may come up before them they should come to the decision not to impose sales tax on any newspaper. In this connection, however, I also have to make a submission to those who bring out newspapers that when we are so anxious for their maximum growth, for their maximum sales, we might also expect them to conduct their newspapers in an efficient manner. In this connection, I regret to have to say that the conditions prevailing at the present time are such that the new newspapers that are making their appearance every other day are not doing any kind of service to the country and the society but are rather working against their interests. This does not apply only to new newspapers and journals but there are even some old ones also which fall under that category. It is the foremost duty of newspapers to raise the moral standard of the people. But I am pained to observe that some of these newspapers publish news which are false and fabricated and indulge in personal attacks which are not becoming of them, with the result that there is a gradual lowering of the moral standard of the community. The tastes of their readers become depraved. Such newspapers thus render no service to society but are rather acting against its interests. I hope and believe that those who edit or write for newspapers.....

Mr. Chairman: I thought the hon. Member was out to deliver a congratulatory peroration but, then, that is hardly likely.

Shri J. R. Kapoor: I am actually making a congratulatory speech but at the same time I wish to sound a note of warning to the newspapers, because this question is pending before the Government and it is indicated in the Statement of Objects that they are going to consider at a later stage as to whether they should impose a tax or not. Hence, while, on the one hand, I ask the Government to stay their hand I should also, on the other hand, request the newspapers not to create a situation in which the Government might be compelled to impose the tax. In order to prevent such a situation from arising they ought to demonstrate that they are rendering so much useful service to the society that the Government must not penalise them by the imposition of a tax. Hence, I would appeal to the newspapermen to unite themselves in the form of an organisation which might have full control over them. Madam Chairman, my views on the subject are rather positive and

my feelings fairly strong and that is what moves me to make this request. I have had talks on that subject with several Members of this Parliament as also with people outside the House and I have found that all of them generally share a feeling of deep concern as to the attitude our newspapers are adopting, the way they are conducting themselves and the direction in which they would lead society. A number of Hindi, Urdu and other non-English newspapers as also some of the English newspapers are resorting to scurrilous abuse to the country's serious disadvantage. Hence, a warning to these people is strongly called for.

Thus I was suggesting that the newspapermen should form a kind of all India organisation whose duty it should be to see that all the newspapers in the country conduct themselves properly and maintain a high standard. This is no doubt a difficult task but they must do it all the same. If, however, they fail to undertake it we would have to consider and the Government too would have to consider how best to maintain a control over the newspapers so that they may be of service to the country rather than be acting against its best interests, as a large number of newspapers are doing at the present moment. Accordingly, I would suggest to them that they should form an all India organisation whose business it should be to keep a regular watch over all kinds of newspapers and see if they are publishing the right sorts of articles, are giving the right sorts of news, are not indulging in scurrilous vituperations and so on.

Mr. Chairman: I don't think it will be fair to take advantage of this occasion to educate the newspaper editors.

Shri J. R. Kapoor: Madam, all that I wish to say is that the newspapermen should see whether they are doing some service to the society. They might appoint certain persons at important places in the country and it should be the duty of such a person to see if anything objectionable is published in the State or the particular part of the country to which he is appointed. This would of course involve a good deal of expense but I feel the Government would be willing to give them financial assistance if they apply for it.

One thing more. We are, of course, not going to tax advertisements but newspapers should see to it that they do not publish indecent advertisements. There certainly are some newspapers which, as stated by my hon. friend Shri Deshbandhuji, refuse to publish indecent advertisements or even such of them as run counter to the prohibition policy of the Government, but then such newspapers can be counted on fingers. Most of the newspapers do not care to see what sort of advertisement they are going to publish so long as it brings them money. Hence, I would submit that newspapers should not publish advertisements which are not proper, which we would not wish to be read by our sons and daughters. I do not wish to name such advertisements specifically but, Madam, you must, of course, be knowing what these indecent advertisements are like since you are connected with newspapers. Hence, I submit that such advertisements should not be published. If, however, this cannot be done. I would urge that not only should such advertisements be taxed, they should be taxed so heavily as to render their publication impossible. I would even suggest to impose a legal check on their publication.

Shri Deshbandhu Gupta: I want to congratulate the hon. Minister for having brought this measure. It was overdue. I hope if even the question of taxing the newspapers comes up before the House the importance of safeguarding the freedom of the Press will not be overlooked and the House will follow the example of other democratic countries like the U.K. and U.S.A. where there is not even an import duty on newsprint or printing machinery. I hope that all sections of this House would unanimously pass this measure and I am confident that by the time a future occasion arises to consider this question of taxation of newspapers, my hon. friend Mr. Sidhva will be converted.

Shri Sidhva: I do not want to make a speech. I only want to say that I am not happy over this Bill.

Mr. Chairman: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

RESERVE BANK OF INDIA (AMENDMENT) Bill—*concld.*

Mr. Chairman: The hon. the Finance Minister will continue his reply to the debate on the consideration motion of the Reserve Bank of India (Amendment) Bill.

The Minister of Finance (Shri C. D. Deshmukh): On the last occasion, I was replying to the debate on the

[Shri C. D. Deshmukh]

motion for consideration and I had said that I wished to make a few more observations before I concluded. Those observations were in regard to the limitations which exist in the way of the Reserve Bank extending agricultural credit. One of the charges which have been levelled against the Reserve Bank is that it has to assist agricultural credit by direct monetary help and from the trend of the criticism I feel that it must have been expected that the Reserve Bank would be able to extend this agricultural credit to an unlimited extent. This subject has been covered in the Statutory Report of the Reserve Bank under Section 55 (1) which was issued sometime in 1936 or 1937. I would like to refer to some portions of it which remain as true today as they were then. The Report makes reference first to the Preamble of the Reserve Bank Act which says that the Bank was established to regulate the issue of bank notes, keeping of reserves with a view to securing monetary stability and generally to regulate the currency and credit system of the country to its advantage. As one of the essential measures of enabling the Reserve Bank to maintain control over the banking structure of the country, the Act compels all banks with a capital and reserves of Rs. 5 lakhs and over to keep 2 per cent. of their time liabilities and 5 per cent. of their demand liabilities with the Reserve Bank. The Bank thus holds the cash reserves or the everyday reserves against the deposits of all the important banks, and the funds which the scheduled banks are compelled to keep with the Reserve Bank are to be made available in times of emergency. It is, therefore, not possible to lock them up in forms of business which the scheduled banks themselves would not undertake on account of either the risk or the length of period, or the lack of liquidity or other reasons. That is why the Reserve Bank has to keep a large portion of its funds in hard cash and invest most of the remainder in readily realisable government securities and treasury bills. That is the reason why the business which it is allowed to undertake by the Act is limited to securities which are self-liquidating in character. Therefore, it is impossible for the Reserve Bank to lend to agriculturists direct or to advance large sums to cooperative banks, or to indigenous bankers for being lent out to cultivators as a matter of course. Nor can the Reserve Bank take the place of Government.

So, these are the basic limitations on the power of the Reserve Bank in extending credit to agriculturists, and that is why it has always to be done through some basic credit agencies like cooperative credit agencies or even commercial banks for certain stated purposes like agricultural operations or marketing operations.

I shall have occasion to deal with some of the particular sections about which there is some misunderstanding, namely, section 17(4) (b) if the amendments are moved. But I would like to point out that for the purpose of section 17 (4) the scheme is that the Reserve Bank should advance on the collateral of documents of title which are negotiable and according to the law these documents of title cannot be created if possession remains either with the borrower or with the commercial bank which first makes the loan. In either case the law is such that no document of title comes into existence. The document of title comes into existence only if possession is transferred to a third party like a warehouseman, or people in charge of railway warehouses who are entitled to issue railway receipt or bills of lading and so on. So that is the reason why we cannot admit for purposes of section 17 (4) (d) any direct hypothecation of goods. Now it may be said that in that case one should abandon the scheme of that particular section and enable the Reserve Bank to advance on the collateral of the goods themselves. Now that is possible where possession can be easily transferred and where the Reserve Bank is in a position to look after the property. That is the case for instance in regard to gold and silver. There is another section just before this which allows the Reserve Bank to advance money on the collateral of gold and silver pledged to it. Now that is possible in the case of articles like gold and silver. But it is not possible in the case of agricultural produce; much less is it possible in the case of standing crops. In either case it assumes that the Reserve Bank has branches all over the country and has arrangements for taking care of any goods that may be pledged to it. That is the reason why it would not be possible to operate any such amendment as is contemplated by some of the hon. Members who have given notice of the amendment.

There is another point that might shorten discussion. I had promised that I would request the Reserve Bank to send someone to the Assam tea districts in order to study the present system of financing of the tea industry. It would be recalled that during the debates on the 23rd of February Shri Chaliha had urged that credit facilities should be extended to the tea

industry with a view to enabling them to finance the purchase of food-grains, coal, tea chests, etc. I had agreed that as the financial difficulties of the tea gardens seemed to be of recent origin, I would request the Reserve Bank to depute an officer to look into the problem and to suggest how best those difficulties could be resolved. I have ascertained from the Reserve Bank that the Governor of the Bank has already had preliminary discussions with the Chairman of the Central Tea Board and that the matter has also been looked into by one of the economists of the Reserve Bank. The Reserve Bank is pursuing the matter further and instructions are being issued to the Department of Banking Operations in Calcutta to study the problem and to make a report. So that matter is in train and I am quite sure it will be taken care of.

I had also referred to the Conference which the Reserve Bank had convened in order to study comprehensively this whole question of rural credit. My hon. friend Mr. Ramalingam Chettiar was a member and he has given notice of an amendment which arises as a result of the deliberations of the Conference. They are going to institute a fact-finding survey in regard to rural credit and in course of time we shall finalise all their recommendations or follow by such executive action as is indicated. There also we hope to be able to promote this question of rural credit in a way which would be regarded as far more satisfactory than the House has reason to regard it so far.

One of the amendments refers to mixed operations and so on and I would like to mention that among the recommendations which have been made by the Conference but which have not yet been considered finally by the Reserve Bank is a recommendation that the definition of seasonal agricultural operations and the marketing of crops should be enlarged so that it might include certain other items which are regarded in many parts as part of agricultural operations. Now that matter also is being considered actively but we are not ready at the moment to suggest any formal amendment which could be incorporated in the present Bill. So, I think the House will have to wait till the whole issue has been carefully considered and then we shall be in a position to bring forward any measure that our decisions may call for. I have done.

Shri Barman (West Bengal): The hon. Minister said that so far as tea gardens are concerned, one of the officers of the Reserve Bank is already in contact with the Chairman of the Central Tea Board. I know that was in connection with the rehabilitation finance of the tea gardens, that is replacement of machinery and other things. The point I raised on the 23rd referred to the financing of the day to day operations of the tea gardens. So I would only like to make it clear to the hon. Minister that the officer who was consulting the Central Tea Board was doing so only regarding rehabilitation finance, though I understand that along with that this matter also will be taken up.

Shri C. D. Deshmukh: I do not think there has been any misunderstanding, but I have taken note of the hon. Member's observations and I shall bring them to the notice of the Reserve Bank so that this aspect of the matter also may not be overlooked.

Mr. Chairman: The question is:

> "That the Bill further to amend the Reserve Bank of India Act, 1934, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Clauses 2 to 4 were added to the Bill.

New Clause 4A.

Shri C. D. Deshmukh: I beg to move:

After clause 4, insert the following new clause:

> "4A. *Amendment of section 7, Act II of 1934.*—In section 7 of the said Act, for sub-section (3) the following shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January, 1949, namely:
>
> '(3) Save as otherwise provided in regulations made by the Central Board, the Governor and in his absence the Deputy Governor nominated by him in this behalf, shall also have powers of general superintendence and direction of the affairs and the business of the Bank, and may exercise all powers and do all acts and things which may be exercised or done by the Bank.' "

I had explained this in the course of my speech when I made the motion for consideration. And this is to bring the language of this particular sub-clause into line with the language of the preceding clause so as to leave no ambiguity. In the old days the Deputy Governor had the power when

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he was authorised by the Governor, and the object of this is to restore that convenience.

Mr. Chairman: Amendment moved:

After clause 4, insert the following new clause:

"4A. *Amendment of section 7, Act II of 1934.*—In section 7 of the said Act, for sub-section (3) the following shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January, 1949, namely:

'(3) Save as otherwise provided in regulations made by the Central Board, the Governor and in his absence the Deputy Governor nominated by him in this behalf, shall also have powers of general superintendence and direction of the affairs and the business of the Bank, and may exercise all powers and do all acts and things which may be exercised or done by the Bank.' "

Shri J. R. Kapoor (Uttar Pradesh): I wonder, whether this would be in order...

Shri A. C. Guha *rose*—

Shri T. T. Krishnamachari *rose*—

Mr. Chairman: Hon. Members will please wait till they are called. If three hon. Members stand up at the same time, how can they be heard? What did Mr. Kapoor want to say?

Shri J. R. Kapoor: I want you only to consider whether this amendment would be in order—not that I am opposed to it on merits at all. But only for the sake of regularising the proceedings and to adopt a perfectly constitutional procedure I would request you to consider whether this amendment is in order at all. This is an amendment seeking to add a new clause to the Bill the purpose of which is to amend another entirely different section of the original Act, which was never intended to be amended by the present Bill. This is the point, Madam, that you have to consider. On many previous occasions when we were tempted to move very necessary amendments—amendments which would have been readily acceptable to the House—and those were ruled out, and rightly too, Madam, that since those amendments would not fall within the scope of the Bill and sought to amend certain other sections of the original Act, howsoever necessary and desirable they were, they could not be moved.

Mr. Chairman: I think the practice of the House is not against adding any new clauses if they are consistent with the object of the amending legislation.

Shri A. C. Guha (West Bengal): May I say a few words, Madam?

Mr. Chairman: I would like to ask Mr. Munavalli whether he is moving his amendment.

Shri Munavalli (Bombay): No, Madam.

Shri T. T. Krishnamachari (Madras): I would like to ask a question. Since the amendment seeks, more or less to put the imprimatur of the Legislature on some acts *ex post facto* I think it is proper to ask the hon. the Mover what are the acts of the Reserve Bank that are sought to be covered by this. The only thing that makes me ask that question is that the effect of this amendment is retrospective. It says that its effect will be from the 1st January, 1949. I do not know if the hon. Minister explained it at any length in his speech on the motion for consideration about this particular matter. I would like to ask, if he has not already done so, what are the particular acts of the Bank he seeks to cover.

Shri Sidhva *rose*—

Mr. Chairman: If the hon. Minister explains this point I think there may be no need for any further speech.

Shri A. C. Guha: Have you disposed of the point of order?

Mr. Chairman: The point of order raised by Mr. Kapoor I have already disposed of. If the hon. Member wants to speak on the amendment he is at perfect liberty to do so. But Mr. Sidhva is already on his legs and let him first speak.

Shri Sidhva (Madhya Pradesh): Madam, I think this clause is very wholesome and I congratulate the hon. Minister on having brought it. Because we have been complaining that the Reserve Bank had not got sufficient power, or even if there was a little power under the Reserve Bank Act, it had resulted even in so many first-class banks to have come to grief for want of superintendence. My friend Mr. Kapoor has raised the point of order. I do not know whether the Select Committee considered that point. I do not want to touch that point as you have already disposed of the point of order raised. Even if the Select Committee has not, it rests with the

Chair in such cases where there is a wholesome provision to allow it and that exception is always made, and you have rightly made it, Madam. I therefore feel that there should be no objection to this clause, and of its not finding a place anywhere. A technical point was raised by Mr. T. T. Krishnamachari to what acts this will apply. The clause is very simple. "Save as otherwise provided in regulations made by the Central Board"—the Central Board is also given the power—"the Governor and in his absence the Deputy Governor nominated by him in this behalf, shall also have powers of general superintendence and direction of the affairs and the business of the Bank, and may exercise all powers and do all acts and things which may be exercised or done by the Bank." I want to know who would like to oppose it. This is what we have always been harping upon, that the Reserve Bank has not been seeing that the scheduled banks are functioning properly, that the depositors' interests are involved in these banks and so on. And I am very happy that this clause has been put in. Whether the matter came up before the Select Committee or not I do not know. Whatever it may be, if it is late, even at this juncture I welcome it and hope that the clause will be passed unanimously.

Mr. Chairman: Does Mr. Guha want to speak on this?

Shri A. C. Guha: I only want to speak on the point of order. If it has been disposed of I have nothing more to say. My point is that this amendment is outside the scope of the objects and reasons of this Bill.

Shri Sidhva: But you have already given your ruling on it, Madam.

Mr. Chairman: Yes, and in support of my ruling I have got also another ruling.

On a similar occasion in connection with the Salt Additional Import Duty (Extending) Bill on 28th March 1934 the President pointed out that it was conceivable that in certain exceptional cases the scope of an amending Bill might be covered by certain sections of the original Act which were not specifically referred to in the amending Bill, and held, in that particular case, that when Government came before the House with an amending Bill to extend the life of an existing Act which imposed a duty or levied taxation, the amount of that duty or taxation was also open for discussion, and in the circumstances the amendment in question was in order.

Shri Himatsingka (West Bengal): I wanted to know from the hon. Minister as to what is the effect of these words put in the preamble: "shall be deemed to have been substituted with effect from the 1st day of January, 1949"? The clause as it is sought to be amended is different. As otherwise provided, this portion will not be in the Act. I want to know the effect of these words. They do not form part of the amendment that is being proposed and therefore they will not form part of the Act. What will be the value of these words as amended?

Shri C. D. Deshmukh: I do not quite see the difficulty of Mr. Himatsingka. We make a change and we say that this change shall be deemed to have been made from the first of January 1949. I can understand the point of the question: Why is it the 1st day of January 1949? The answer was already given by me in my previous speech which I made when I made the motion that this Bill be taken into consideration. I said that it is also intended, that the amendments to section 7 (3) and 18 (1) should be retrospective from the 1st of January 1949, that is the date from the original amendments to section 7 were effective. That is the only reason. Actually hon. Members have not really read my speech. I am sorry it was rather premature. If I had retained that for expressing today, instead of then, it might have been very much better but I have fully explained the situation there. This is already contained in the printed proceedings and I do not think it is necessary for me to take the time of the House. I will refer hon. Members to page 3222 of the Parliamentary Debates, dated 20th February 1951.

Shri Himatsingka: What I want to know is this: Let us assume that we adopt the clause as stated here: "Save as otherwise provided" etc. Supposing something has happened after 1st of January 1949 and before today. How will the court interpret that section as amended? How will the court come to know or take notice of it that this amended clause came into force on the 1st January 1949?

Shri T. T. Krishnamachari: I do not think that there is any difficulty. The particular preamble to the amended clause ought to be or rather should be considered as being in sub-clause 2 of clause 1. It has got the same effect as sub-clause 2 of clause 1. It says: "It shall come in force on such date". This particular clause will come into force on a day prior to the date mentioned in sub-clause 2 of clause 1. The

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ethics of *post facto* legislation is another matter but in the operation of this amending clause, I do not see any difficulty because it will have the same effect as sub-clause 2 of clause 1.

Shri A. C. Guha: Why has the particular date been selected?

Shri C. D. Deshmukh: I just stated that because the original amendments to section 7 became effective from the 1st of January 1949. This was in connection with the Act which brought the Reserve Bank under public ownership and some changes were made and powers were given to the Governor. Questions arose as to whether this was intended to be something different than, say, the powers given under sub-clause 2 which says "which may exercise all powers and do all acts and things which may be exercised or done by the Bank." This is one form of verbiage. The other one is in the present Act: "shall have full powers to transact all business of the Bank which may be transacted by the Central Board." Although the intention was not to make any difference, the language used is different. Actually I do not believe now there is any case to which this would apply. I do not think it covers any important case retrospectively and it is not the intention. Actually the only case that arose has already been dealt with and I referred to it in answer to questions raised by Mr. Sidhva. The only other thing that is included in this is that in addition to the Governor, there is also provision for giving power to the Deputy Governor. The general relevance of this is that it is no use having substantive powers under 17, 18 and 19 unless you have a proper machinery for administering those powers and the Statement of Objects and Reasons says that the powers of the Bank require extension and elaboration in a particular language. I do not think it is outside the scope of the Bill either.

Mr. Chairman: I think all the points raised have been covered. The question is:

After clause 4, insert the following new clause :

"4A. *Amendment of section 7, Act II of* 1934.—In section 7 of the said Act, for sub-section (3) the following shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January, 1949, namely :

'(3) Save as otherwise provided in regulations made by the Central Board, the Governor and in his absence the Deputy Governor nominated by him in this behalf, shall also have powers of general superintendence and direction of the affairs and the business of the Bank, and may exercise all powers and do all acts and things which may be exercised or done by the Bank.'"

The motion was adopted.

New clause 4A was added to the Bill.

Clause 5 was added to the Bill.

Clause 6.—(*Amendment of section 17*)

Shri Meeran (Madras): My amendment is the same as the amendment of Mr. Ramalingam Chettiar. I beg to move:

After part (1) of clause 6, insert the following new part:

"(1A) in sub-clause (a) of clause (2), after the words 'scheduled bank' the words 'or a State co-operative bank' shall be inserted."

I do not propose to make any speech and the hon. Minister has already agreed to accept the amendment.

Mr. Chairman: Amendment moved:

After part (1) of clause 6 insert the following new part :

"(1A) in sub-clause (a) of clause (2), after the words 'scheduled bank' the words 'or a State co-operative bank' shall be inserted."

Ch. Ranbir Singh (Punjab): I beg to move:

In part (2) of clause 6, in the proposed amendment to sub-clause (b) of clause (2) of section 17 of the Reserve Bank of India Act, 1934, for the words "fifteen months" substitute the words "eighteen months".

Mr. Chairman: Amendment moved:

In part (2) of clause 6, in the proposed amendment to sub-clause (b) of clause (2) of section 17 of the Reserve Bank of India Act, 1934, for the words "fifteen months" substitute the words "eighteen months".

Shri C. D. Deshmukh: I have an amendment to this clause.

Mr. Chairman: The amendments are for discussion and that amendment is not to be moved now.

Shri T. T. Krishnamachari: Are not we considering clause 6? That amendment has got to be moved.

Mr. Chairman: That is a new clause coming after clause 6. Therefore, after that clause is disposed of, that amendment can be moved.

The Minister of State for Finance (Shri Tyagi): It is not a new clause. It is a new sub-clause. A sub-clause can be moved.

Mr. Chairman: When I called the hon. Minister, I thought this was only an amendment to clause 6, but now I find that this is a new clause to come after clause 6 is disposed of.

Shri C. D. Deshmukh: This amendment is No. 13 and that has to be moved as part of clause 6.

Mr. Chairman: He may move it.

Shri C. D. Deshmukh: I beg to move:

After sub-clause (9) of clause 6, insert the following new sub-clause:

"(10) for clause (15A), the following clause be substituted, namely:

'(15A) the performance of the functions of the Bank under the International Monetary Fund and Bank Ordinance, 1945 (XLVII of 1945), the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Banking Companies Act, 1949 (X of 1949) or any other law for the time being in force.' ".

It does not require any explanation. It just regularises the functions that the Bank has to discharge in regard to foreign exchange regulation which were not included in the original sub-clause. It also adds any other law for the time being in force to avoid difficulties like this in future.

Mr. Chairman: Amendment moved:

After sub-clause (9) of clause 6, insert the following new sub-clause:

"(10) for clause (15A), the following clause be substituted, namely:

'(15A) the performance of the functions of the Bank under the International Monetary Fund and Bank Ordinance, 1945 (XLVII of 1945), the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Banking Companies Act, 1949 (X of 1949) or any other law for the time being in force;".

Shri Sidhva: I wanted to ask a question with regard to sub-clause (5) by which the following clause is sought to be substituted, namely:

"(6) the issue of demand drafts, telegraphic transfers and other kinds of remittances made payable at its own offices or agencies, the purchase of telegraphic transfers....."

I want to add, if the hon. Minister has no objection, Bill of Exchange.

Mr. Chairman: Is there any amendment to that effect?

Shri Sidhva: No amendment. I am only asking if he will accept it. That will facilitate commercial transactions. I only wanted to know whether he has any objection because that would simplify the matter from the commercial point of view.

Mr. Chairman: He may give the hon. Minister a little time to consider the suggestion.

Shri C. D. Deshmukh: I have to oppose that amendment. Purchase, sale and rediscount of bills of exchange bearing the signature of a scheduled bank or a cooperative bank is already authorised under clauses (a), (b) and (c) of sub-section (2) of section 17 of the Act. Purchase of such bills from the public comes within the normal operation of commercial banks. The Reserve Bank cannot be authorised to undertake this business as it would be inconsistent with the very purpose of the Act under which the Reserve Bank acts only as a Bankers' bank. That is the answer.

Pandit Munishwar Datt Upadhyay (Uttar Pradesh): My amendment has not been called. It is to clause 6.

Mr. Chairman: Is it number 4?

Pandit Munishwar Datt Upadhyay: Yes.

Mr. Chairman: Mr. Upadhyay and Ch. Ranbir Singh are bracketed together. Ch. Ranbir Singh has already moved that amendment.

Pandit Munishwar Datt Upadhyay: It is not number 4. It is No. 3 in the supplementary list.

Mr. Chairman: What I have said is correct. This amendment stands in the name of both Ch. Ranbir Singh and Mr. Upadhyay. Since it has already been moved by one of the Members, I think it is sufficient. If the hon. Member wants to speak he may speak.

Shri A. C. Guha: The purpose of the amending Bill is mainly to extend the credit facilities to agricultural operations. Before the Government came forward with this Amending Bill, there was the Rural Banking Enquiry Committee and that Committee had submitted its report to the Government. This Amending Bill may be

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taken to have been drafted on the lines of the recommendations made by that Committee.

In the Original Reserve Bank Act, there was section 55 which has now been deleted. According to that section, the Reserve Bank had to submit a report to the Governor General giving its reactions to the extension of the provisions to the improvement of the machinery for dealing with agricultural finances and methods for effecting a closer connection between agricultural enterprises and the operations of the Bank. According to this provision of the Act, a report was submitted and it has been stated in the report that the Reserve Bank has not been able to accept any one of the 8 or 9 suggestions made on behalf of certain co-operative banks or Land Mortgage Banks for the purpose of extending facilities for rural banking. It is clear that one of the obligations imposed by the original Act on the Reserve Bank, has been so summarily discharged and the Reserve Bank has not been able to accept any of the suggestions made. The suggestions were mostly that the Co-operative Banks and Land Mortgage Banks might be given accommodation by the Reserve Bank so that those banks might invest money for agricultural purposes. It has never been urged that the Reserve Bank should invest money directly for any agricultural operations. What was expected and asked of the Reserve Bank was that it should accommodate other banks which might extend some credit facilities for agricultural operations. It has been stated at the beginning of the report that the Reserve Bank should do something tangible for affording credit facilities for agricultural operations. Yet, during all these 17 years, the Reserve Bank has not been able to do much in that respect.

Then, I have got the Rural Banking Enquiry Committee report. That Committee also recommended that the Land Mortgage Banks should be encouraged and the Committee has practically found that the Land Mortgage Bank is the best agency for extending long term credit for rural operations. The Committee has also recommended that certain facilities should be given for agricultural operations, particularly through the State co-operatives and scheduled banks. I gave notice of two amendments; but I am not moving them. In the report of the Select Committee also, I have given a minute of dissent along with some other Members one of whom is the hon. Minister of State for Finance. Our contention was that hypothecation deeds on standing crops and debentures of land mortgage banks should be rediscountable with the Reserve Bank.

Mr. Chairman: Was it before he became a Minister?

Shri A. C. Guha: Certainly; then he was a Member of the Select Committee. Otherwise, how could he append his signature to the minute?

Shri Sidhva: He was not a Minister then.

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Shri A. C. Guha: While discussing these two matters in the Select Committee the Chairman interpreted that by the existing provisions of the Act debentures of landmortgage banks as also the hypothecation of standing crops are discountable by the Reserve Bank. The Finance Minister raised his doubts in the Select Committee; but the report submitted by the Reserve Bank to which I referred before also stated that on certain conditions these landmortgage bank debentures are acceptable to the Reserve Bank. But the conditions that were imposed restricted the facilities to almost a nullity. I would like the hon. Minister to consider these two points, firstly the question of landmortgage banks' debentures and secondly the hypothecation of standing crops.

As regards the first it has been stated that any security in which a trustee invests the trust money will be acceptable to the Reserve Bank. According to the provisions of the Reserve Bank Act, it has to be defined by an Act of Parliament of the United Kingdom and also by the laws prevalent in the States of India. I do not understand how the Act of Parliament of the United Kingdom can come in here to determine where our trust money is to be invested. I can understand the reference to provincial laws, but not this reference to the Parliament of the United Kingdom. I would like the hon. Minister to clarify this point. The Parliament of the U.K. should not have anything to do with this matter now when we have become completely independent and this House is completely sovereign and independent. As I have said, I would like the debentures of land mortgage banks to be included in the category so that they may be acceptable for rediscounting by the Reserve Bank and also for the hypothecation of standing crops. The other day the hon. Finance Minister made an

announcement but that related only to tea. Of course, tea is a valuable crop and stands by itself in a separate category. Even so, there are other valuable crops; and especially when we are thinking in terms of big farming we should extend these facilities to other crops also and to scheduled banks and cooperative banks which may invest money in farms against the standing crops. I hope that the hon. Minister will be able to provide for these things in this Bill.

Ch. Ranbir Singh: My amendment proposes to enhance the period of fifteen months to eighteen months. As credit facilities for agriculture are limited to the bare minimum. At present only land mortgage banks or cooperative societies advance credit for agricultural operations and that too is of a very limited extent. But at the present juncture agricultural finance has become an absolute necessity not only for the advancement of agriculture but also for the whole nation as the increase of agricultural production has become so very vital for the whole nation as it was never before.

This little and insignificant amendment of mine is only an enabling one; and not an obligatory one for the Bank; I would have liked to go farther, but I fear even this probably may not be accepted by the hon. Finance Minister. But I do feel that in view of the fact that there are no facilities for long-term or medium finance for agriculture and since there are no warehouses or facilities for insurance of crops or cattle, it is very necessary that the period of the loan should be extended at least to eighteen months. With these remarks I commend my amendment for the acceptance of the House.

Pandit Munishwar Datt Upadhyay: The amendment before the House is really a very necessary one. Although the period extended by the Select Committee has now come to 15 months, I do submit that even that period is not long enough for the purpose and for the object for which this extension is necessary. To me it seems that the hon. Finance Minister is labouring under some misapprehension of facts, judging from the statement he made on the floor of the House on the 20th of February 1951 when this question was being discussed. Probably his impression is that the period of fifteen months is even longer than what is really required for such operations. He has said:

> "The period is not intended to cover the entire phase of agricultural operations, that is to say, from the purchase of seed and manuring and tilling of the land till the crop is finally marketed, but only for the period the finance is required from the Reserve Bank."

Therefore it seems as if he thinks that this sort of help is required only for a certain stage of the agricultural operations through which they have to pass for growing certain crops. But that is not the real position. As a matter of fact, finances are required much before the operations start. Therefore, to say that the finances would be required or needed in the midst of the operations or at a certain stage of the operations is not correct. Under that impression, he probably thinks that even fifteen months may be more than enough and so no extension of this period need be effected. The principle that extension should be given if there is the need for it having been conceded, I feel that we should extend this period to eighteen months which is the minimum considering the period during which finance is necessary in the case of certain crops. When this question was considered by the Select Committee the case of sugarcane was also considered. The instance of sugarcane cultivation was also mentioned by the hon. Minister in a speech on the 20th February 1951. If he takes even the case of sugarcane, it takes longer than 15 months. The sowing of sugarcane starts in February and goes right up to March and April, of the next year, when sugarcane is crushed. If you go to the length of marketing the produce, that goes up to July, August and September. There are certain other crops which may take a longer time and I will not take up the time of the House in going into details about them. So even in regard to sugarcane the period required will be 18 months.

This question of financing agricultural operations is a very important one and for many years it has been agitating the minds of our reformers and persons who are interested in agriculture and production of food. It is a very vital matter and there is no harm in extending the period from 15 to 18 months. My submission is that this amendment should be accepted.

Shri Himatsingka: I feel that there is a certain amount of misapprehension in the minds of certain hon. Members, when they say that hypothecation of standing crops should be allowed to be included as one of the securities. The present law as it stands covers that kind of security. If the scheduled bank, which primarily has to advance the money, in the first instance, is satis-

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fied with the security offered, if such security is taken by the scheduled bank and if the scheduled bank wants to borrow from the Reserve Bank, I should have thought that these will be covered by section 17 (2) (b). Two signatures, one of the scheduled bank and the other of the borrowing party, will be quite sufficient to enable them to borrow. Therefore it is not necessary that there should be any express provision for that.

As regards the other criticism made by Mr. Guha that again, I feel, seems to have been made under a misapprehension. Section 17 is an enabling section and sets out a number of things which the Reserve Bank can do and some of the things on which they can transact business are stocks, funds and securities in U.K. in which the trustees are authorised to invest by any Act of Parliament. As you know we have sterling securities and other securities of the Government of the U.K. So the presence of this clause merely enables the Reserve Bank to advance money on them. It is not necessary that they should go out of their way to advance money on them.

Similarly the finance required by the cultivator ordinarily and primarily must be available from the commercial banks and others and then only the Reserve Bank comes into the picture. Even if it is an advance for 18 months or more I think the Reserve Bank will not be debarred, though the bank that advances money to the operator comes after three or four months to the Reserve Bank and wants to be financed for 15 months. The idea is that the Reserve Bank should keep its money in as liquid a form as possible, so that the money will be available to the banks on every occasion when it is needed. Therefore the 15 months suggested by the Select Committee should be regarded as sufficient and there should be no difficulty in agricultural marketing operations being financed by the banks.

Shri C. D. Deshmukh: I am grateful to Mr. Himatsingka for pointing out the misunderstanding under which some of the Members who spoke in favour of some of the amendments, though they have not been moved, have been labouring. The main fact to be borne in mind is that this is not direct finance by the Reserve Bank. It is finance of a secondary kind and it is only when the original commercial bank finds that it is in need of money that it comes to the Reserve Bank and then all those powers are given to the Reserve Bank to make advances to the commercial bank. Therefore taking the case of the extension of the period from 15 to 18 months, it is not that we are considering the period for which the agriculturist requires finance. These documents mature within nine months from the date of such purchase or rediscounting, exclusive of the days of grace. Therefore it may be that they may come in the sixth or seventh month and then the period of 15 months will be counted from that. It is long enough to cover all conceivable and reasonable requirements in the field of short-term agricultural finance. What the hon. Member, Ch. Ranbir Singh has been trying to get in sideways or edgewise is some kind of a provision which would bind the Reserve Bank to furnish medium term finance. I believe in one of his speeches he mentioned digging of wells and various other things. That is where we have a fundamental difference with him. As I have already explained it is not possible for the Reserve Bank to undertake under the scheme embodied in the Reserve Bank Act any medium term finance.

Ch. Ranbir Singh: I was thinking of short term finance.

Shri C. D. Deshmukh: So far as that is concerned all conceivable things have been taken care of. The original period was 9 months, then it was extended to 12 months and after very careful consideration the Select Committee came to the conclusion that raising it to 15 months would be more than amply sufficient. That is my answer to that particular point. That answers both Ch. Ranbir Singh and Mr. Upadhyay.

I might just add one word more. All the expert committees which were appointed to study this question have come to the conclusion that a period of 12 months would be sufficient. It was on the basis of such recommendations that we came forward with the proposal to raise the limit from nine to twelve months and then as a concession to some doubters we raised it from 12 to 15 months. Any further lengthening of the period will be completely superfluous.

The third point raised by Mr. Guha was in connection with land mortgage banks. I cannot quite understand how the U.K. comes in. This is a matter for the legal draughtsman. That is part of the original Bill. We are not considering the language of section 17 (4) (a). I understood that his grievance was that the Reserve Bank is not able to purchase the land mortgage bank debentures and my answer is that if these land mortgage

bank debentures are guaranteed as to principal and interest by a State Government, then under this clause to which I have referred they are authorised to purchase them. Nearly all, in fact without exception, the debentures issued so far by the land mortgage banks in India are guaranteed as to principal and interest by the State Banks and therefore any amendment of the kind he has proposed is wholly unnecessary. I hope that this explanation will satisfy him.

The other point that he raised was in regard to hypothecation of crops. I have explained that off and on and I do not wish to take up the time of the House. But as I said, here we are dealing with secondary finance and it is not as if by merely introducing words to this effect that the collateral may be hypothecation of crops. The commercial bank will first advance such a loan and automatically the Reserve Bank then will come to the assistance of the commercial bank. The lending policy of the Reserve Bank is governed by many considerations; I would like to draw attention to some of them:

> "In conformity with the usual practice of central banks in other parts of the world and with a view to promoting the development of banking on sound lines in the country, the Reserve Bank in extending its credit to the scheduled banks will take into consideration not only the nature of the security offered to it but also the general character of investments of the applying bank, the manner in which its business as a whole is conducted, whether, for instance it offers excessively high rates of interest in order to attract deposits, whether it seeks help from the Reserve Bank in normal times when funds in the money market are ample, whether it has been overtrading and extending an undue amount of credit for speculative purposes in commodities or securities, or indulging in insecure business to an excessive extent. The Reserve Bank takes these and similar points into consideration before fixing its credit lines for any scheduled bank, and it should be noted in this connection that the Reserve Bank is empowered by the Act to grant only temporary accommodation and not credit to be used for capital purposes, for speculation or over-trading. With a view to ascertain that credit facilities are not abused in any way the Reserve Bank may call for information or impose conditions on the borrowing scheduled bank as it may consider necessary and obviously a scheduled bank requiring such assistance from the Reserve Bank will have to supply such information as may be called for."

So, whatever the provisions of the law may be, apart from their appropriateness or otherwise the mere insertion of some provision does not necessarily ensure that credit starts flowing from the Reserve Bank to a commercial bank. I have already pointed out that it would be wholly inappropriate to put in these words "on hypothecation of crops" because then you lose the whole idea of the documents of title which is inserted in 17 (4) (d). There is no legal means by which the document of title can then be created. Then, as Mr. Himatsingka has pointed out, if you have to rely on hypothecation of crops and you are not relying on the document of title as a collateral you can fall back on two good signatures: one good signature of the scheduled bank to which the advance is made, and the other good signature means the personal credit of the person who took that original advance from the commercial bank. This is in connection with demand bills. So far as bills of exchange are concerned there are other provisions also. So, either it is a case of good personal credit or it is a case of good security and you cannot afford to abandon both of them which will be the effect of the amendment of the hon. Member if it were to be accepted. That is the reason why I am not able to accept it. I hope I have given a satisfactory explanation to the hon. Member of his difficulties.

Mr. Chairman: Is the hon. Minister going to accept Mr. Ramalingam Chettiar's amendment as moved by Mr. Meeran?

Shri C. D. Deshmukh: Yes.

Mr. Chairman: The question is:

> After part (1) of clause 6, insert the following new part:
>
> "(1A) in sub-clause (a) of clause (2), after the words 'scheduled bank' the words 'or a State co-operative bank' shall be inserted."

The motion was adopted.

Ch. Ranbir Singh: In view of the fact that the hon. Minister finds it difficult to accept my amendment I beg for leave to withdraw it.

The amendment was, by leave, withdrawn.

Mr. Chairman: The question is:

After sub-clause (9) of clause 6, insert the following new sub-clause :

"(10) for clause (15A), the following clause be substituted, namely :

'(15A) the performance of the functions of the Bank under the International Monetary Fund and Bank Ordinance 1945 (XLVII of 1945), the Foreign Exchange Regulation Act, 1947 (VII of 1947), the Banking Companies Act, 1949 (X of 1949) or any other law for the time being in force;".

The motion was adopted.

Mr. Chairman: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

New Clause 6A

Shri C. D. Deshmukh: This also has been explained in that speech of mine to which I made a reference some time ago.

Amendment made.

After clause 6, insert the following new clause:

'6A. *Amendment of section* 18, *Act II of* 1934.—In sub-section (1) of section 18 of the said Act, for the words "Central Board" the word "Bank" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January 1949.'

—[*Shri C. D. Deshmukh*]

Clauses 7 to 13 were added to the Bill.

Clause 14.—(*Amendment of section* 42.)

Shri Sidhva: I have got a small amendment to this clause and I want to know if the Finance Minister is going to accept it. My amendment says that in the proposed sub-section (2) of section 42 of the Act after the words "responsible officers of such bank" the words "one of whom shall be managing director" should be inserted. I am suggesting this because it is a very important document to be submitted. "Officer" may mean even a cashier, or a subordinate of an accountant. Some of the superintendents and head clerks are also known as officers.

Shri T. T. Krishnamachari: What about banks with no managing directors?

Shri Sidhva: I want that a responsible officer should be sent. If the word "officer" means that it is one of the heads of the bank, I have no objection to the clause as it is.

Shri C. D. Deshmukh: I would like to say that this provision has been worked for the last so many years and no actual difficulties have been experienced. After all, the information has to be supplied to the Reserve Bank and they have been quite satisfied that responsible officers have signed the statements. If the managing director is made to sign the statement the result will be that the submission of the statements might be delayed; he may not be always available and the return itself therefore may be delayed. I do not think there is any advantage to be gained by straining after this particular perfection.

Shri Sidhva: All right. Then there is another point I wanted to be clarified. My second amendment reads as follows :

In part (1) of clause 14, after clause (g) of the proposed sub-section (2) of section 42 of the Reserve Bank of India Act, 1934, insert the following new clauses :

"(h) the amount and time limit of secured and unsecured loans,

(i) the amount and time limit of advance towards hypothecated goods"

Sometimes when they send the statement they do not include unsecured loans and also the money advanced towards hypothecated goods. I want to make it clear, because large sums of money are involved in hypothecation of goods and also in unsecured loans. Sometimes, I know that they do not supply information about unsecured loans. It would be more in the interests of the public if this is done. I want to know the hon. Minister's reaction before I move my amendment.

Shri C. D. Deshmukh: I understand that Mr. Sidhva proposes that the weekly returns should show separately the amount and time-limit of secured and unsecured loans and advances against hypothecated goods. The

total amount of such loans and advances of course will be exhibited under item (f), but it would be most inconvenient for the Banks to split up in their weekly returns such figures under secured and unsecured loans and advances against hypothecated goods. At any rate, each advance will have a separate maturity and it would be very difficult to tabulate them according to varying maturities. In the case of advances against hypothecated goods, very often no definite maturity is prescribed and overdraft arrangements are operative for a limited period or without limit, and the repayments are made according to the finance of the operator. Similarly, in the case of current account overdrafts, no time-limit is prescribed and these are generally for very short periods, allowed for first class parties at the discretion of the bank authorities. If all these details are to be shown separately in the weekly returns, such classification will also be necessary in the daily accounts and this will render the closing of the bank's books daily a most difficult process. It has already been made somewhat difficult due to certain other happenings. The Department of Statistics and Research of the Reserve Bank receive from the banks a quarterly return showing the classification of the loans advanced under secured advances, secured loans against securities, bullion, shares, merchandise and hypothecated goods. Therefore, all the information which the Reserve Bank feel is necessary for control purposes can be obtained under the new Banking Act, and when there is a separate classification there, it is no use overloading the weekly returns with all kinds of details which no one would have the time to study. You will just be flooded with a mass of detail and the real purpose of control would be lost.

Shri Sidhva: I do not move my amendment then.

Shri A. C. Guha: This clause is going to amend Section 42 of the Reserve Bank Act and that Section gives certain authority and privilege to the Reserve Bank over scheduled banks. Any authority or privilege must have its obligations also on the other side. The Reserve Bank, when certain banks were put in the schedule, was supposed to be taking a sort of responsibility as if by giving a guarantee to the public as regards the stability of those scheduled banks. When actually the question of carrying out its obligations came, the Reserve Bank awfully failed and I hope most of the middle-class and ordinary men of Bengal will agree with me. When over 200 banks, some of them scheduled banks collapsed one after another, the Reserve Bank did not stir up an inch and took no action to stop the total wreck of the economic life of Bengal. In this House, I have repeatedly, tried to raise this question and draw the attention of the Government and of the Reserve Bank to the condition which has been created in Bengal due to the collapse of so many banks. I have found the Reserve Bank quite indifferent to the whole question. It took practically no care to save the Banking companies of Bengal; it did not exercise the authority it had over these companies and it was rather oblivious of its responsibilities to the province and to the clients and depositors of those banks.

Bengal has reasonable ground to have this grievance against the Reserve Bank and even now I hope the Reserve Bank can discharge its obligations, though the banks have closed their doors. I think, Madam, the money involved in these banks would amount to several crores. I think it would be near about Rs. 50 or 60 crores, mostly of ordinary middle class men of the lower income group. Most of them have been ruined, because of the collapse of these Banks. But the Reserve Bank has taken no step to see that the affairs of these banks are put in order. No scheme of reorganisation has been drawn up by the Reserve Bank and most of these banks have been ordered for liquidation and the affairs of liquidation have been given to official liquidators. These official liquidators have been carrying on their jobs for years and they have been eating up the entire resources of these banks and the depositors will not get, I am sure, one-fourth of what they would have otherwise got if the Reserve Bank had taken care to safeguard the interests of the depositors.

I would ask the Finance Minister to request the Reserve Bank to see that the assets of the banks that have closed their doors may be even now pooled together and utilised for repaying whatever amount is possible to the depositors. I do not like to raise the question of shareholders. But the poor depositors' interests should have been guaranteed and the Reserve Bank, in view of a sort of epidemic in the banking companies in Bengal, should have taken steps for initiating a sort of insurance for the depositors as was done in America when there also after the First World War there was something like a wholesale collapse of the banking companies.

[Shri A. C. Guha]

But this amendment is giving some more latitude to the scheduled banks and I hope this is justified by the experience gained in the working of the provision so long. The provision so long has been too strict on some of the scheduled banks only for formalities' sake. This amending clause is making formalities less rigid. I do not plead for giving these banks more latitude as regards investing depositors' money; the Reserve Bank should see that every pie of the depositors' is safeguarded. I would even now urge upon the Finance Minister to see that the assets of the banks which have closed may be pooled together and the depositors may be compensated to whatever extent possible. If left to the official liquidators, the depositors will not get a single pie. For the last two or three years, the official liquidators have been carrying on their jobs simply for their own benefit and the depositors' money is being wasted. I would ask the Finance Minister to take note of this.

Mr. Chairman: Does the hon. Minister wish to reply?

Shri C. D. Deshmukh: I do not think, Madam, that this is the occasion to reply to this impassioned plea on behalf of many scheduled banks which ought to have known better.....

Shri A. C. Guha: I am not talking of the scheduled banks; I am talking of the depositors.

Shri C. D. Deshmukh: And so far as the depositors are concerned it is a very revolutionary theory that as soon as a bank fails then it is Government's business to guarantee the deposits fully . . .

Shri A. C. Guha: A provision like an insurance of deposits is not so revolutionary and a similar system is in vogue in the U.S.A.

Shri C. D. Deshmukh: As I said, Government is completely opposed to any such notion and I do not like to be harsh in criticising the management of many of the banks which have come to grief. It may be that their own negligence has been added to by certain other factors which were beyond their control . . .

Shri A. C. Guha: Have Government taken any action on any of those managing directors?

Shri C. D. Deshmukh: I am sorry, Madam, I cannot even complete the sentences without the hon. Member popping up and shooting questions at me. It makes me forget what I was going to say. I was saying I am certain, and I am in a position to say with some authority, that the Reserve Bank has been more than considerate, and indeed if anything were to happen my friend would get up here and say "Remove the Governor, remove the Deputy Governor, remove the Board of Directors because they have wasted twenty lakhs, thirty lakhs or forty lakhs". So the Reserve Bank has to follow a very straight path in these matters. But, generally speaking, I repeat that the Reserve Bank has been most sympathetic and helpful to banks which are . . . .

Shri Sidhva: More than helpful.

Shri Sondhi (Punjab): I have got a grievance that you have been partial to Bengal.

Shri C. D. Deshmukh: I do not think, Madam, a long reply is called for on this particular matter.

Mr. Chairman: I think Mr. Sidhva's amendments are not pressed.

Shri Sidhva: I am not pressing them.

Mr. Chairman: The question is:

"That clause 14 stand part of the Bill."

The motion was adopted.

Clause 14 was added to the Bill.

Clause 15 was added to the Bill.

Clause 16 was added to the Bill.

Clause 17 was added to the Bill.

Clause 1.—(*Short title and commencement*).

Amendment made:

In sub-clause (1) of clause 1, for the figures "1950", substitute the figures "1951".

—[*Shri C. D. Deshmukh*]

Mr. Chairman: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Mr. Chairman: There is a consequential amendment tabled by the hon. Minister which is consequential to all the amendments. That may be moved now.

Amendment made:

Re-number the clauses of the Bill consequential upon the insertion of new clauses in the Bill.

—[*Shri C. D. Deshmukh*]

The Title and the Enacting Formula were added to the Bill.

Shri C. D. Deshmukh: I beg to move:

"That the Bill, as amended, be passed."

Mr. Chairman: Motion moved:

"That the Bill, as amended, be passed."

चौधरी रनबीर सिंह : सभानेत्री महोदया, माननीय मंत्री महोदय ने मेरे संशोधन का जवाब दिया था, तो उस में एक बात कही कि शायद मैं उन को किसी दूसरी तरफ़ ले जाना चाहता हूं, यानी मीडियम क्रैडिट (medium credit) की तरफ़। मैं उन से यही प्रार्थना करना चाहता हूं कि उस वक्त भी और पहले भी मेरा ऐसा कोई इरादा नहीं था कि मैं उन को मीडियम या लांग टर्म क्रैडिट (Long term credit) की तरफ़ ले जाऊं। मुझे मालूम था कि यह बिल शार्ट टर्म क्रैडिट (short term credit) के लिये है। उन्होंने इस बीच में कहा कि मैं ने कुओं का ज़िक्र किया। मैं उन से यह पूछना चाहता हूं कि अगर शार्ट टर्म क्रैडिट की म्याद के अन्दर आये, एक साल के क्रैडिट में या छः महीने के क्रैडिट में कोई आदमी रुपये को लेकर कूए बनाता है, तो यह कैसे मीडियम टर्म क्रैडिट बन जाता है, या लांग टर्म क्रैडिट बन जाता है। यह मेरी समझ में नहीं आता। उन्होंने आपत्ति दरसाई और यह समझाने की कोशिश की कि बिल के तहत १५ महीने की म्याद २१ महीने बन जाते हैं। मैं उन से यह कहना चाहता हूं कि कूआ तो दर रहा, अगर आप आज, जैसी कि देश को ज़रूरत है, बंजर जमीन को चालू करें, तो उस के लिये भी यह बहुत ज़रूरी था कि इस मिआद को १५ के बजाय १८ महीने किया जाता। क्योंकि जब शुरू की दो फ़सलें बोई जाती हैं तो उस से जो पैदावार उस में होती है, वह बिल्कुल ना के बराबर होती है। और तीसरी फ़सल की पैदावार को मार-केट में पहुंचने और उस से पैसे हासिल करने में कम से कम २४ महीने लग जाते हैं। तो अगर वह मेरी अमेंडमेंट मानते, तो इस तरह २१ के बजाय, जैसा उन्हों ने बताया, वह २४ महीने का क्रैडिट बन जाता। इस में मैं नहीं समझता कि यह किसी तरह मीडियम क्रैडिट बन जाता या लांग टर्म क्रैडिट हो जाता।

तो इसलिये मैं हाउस का ज्यादा समय न लेते हुए यही उन से कहना चाहता था कि अगर थोड़े समय के लिये क्रैडिट लेने से अगर कोई आदमी कूआ बना देता है, तो सिर्फ़ कूआ बना देने से वह मीडियम या लांग टर्म क्रैडिट नहीं बन सकता है।

(English translation of the above speech)

Ch. Ranbir Singh: Sir, the hon. Minister replying to my amendment has stated that perhaps I have tried to divert him to some other point i.e., towards Medium Credit. I want to assure him that I had no such intention either at that time or at this time to divert him towards the medium or long term credit. I knew that the present Bill was meant only for short term credit. He during his statement also said that I made a mention of the wells. I would like to know if a man out of the amount of money advanced to him on short term credit, gets a well sunk say within a year or six months' then how that credit became a medium term or the long term credit? I cannot follow it. He raised this objection and tried to make us understand that the time limit of 15 months mentioned in the Bill became a time limit of 21 months. I want

[Ch Ranbir Singh]

to submit that not to say of the sinking of the wells if you in accordance with the needs of the country were to reclaim the barren land, you would find that it becomes necessary to extend the time limit of 15 months to that of 18 months. Because the first two crops grown on that land are generally equal to almost nothing and it takes nearly 24 months for the third crop to reach the market and get sold. Had he accepted my amendment the credit would have been, as he stated, for a period of 24 months instead of 21 months. I cannot see how it would have become a medium term or long term credit. Therefore, not taking much time of the House, I wanted only this much to submit if anybody out of the short term credit advances gets a well sunk out of that amount, the credit can in no way become a medium term or a long term credit for this reason only.

Shri T. T. Krishnamachari: The provocation for my speaking at this stage is the speech of my hon. friend the Finance Minister in commending the Select Committee report to this House. There is one point therein where he has mentioned about the Imperial Bank about which I would like to say something at this stage, but before doing so, I would like to draw his attention to the fact that this amending Bill which is at the final stage today in this House is not complete by itself. I believe this amending Bill originated because of certain re-alignments that had to be made as a consequence of the Reserve Bank having been brought under public ownership. I believe also that the question of the Reserve Bank *vis a vis* joint stock banks in view of the new relationship between the two bodies that has arisen because of the passing of the Banking Companies Act has also to be considered and an investigation is necessary if either the Reserve Bank Act or the Banking Companies Act has to be suitably modified as a result of such consideration. I have in mind what happened a few weeks ago in or near about Delhi, in regard to two big Banks, the Bharat Bank and the Punjab National Bank, the transfer of assets of one Bank to another in order, I believe, to make the position of the depositors safe and secure which was a subject matter of litigation. It does not seem to be very clear at what stage the Reserve Bank came in, whether they were initially consulted and if so, whether their advice was a matter to which the courts gave some attention. I think the procedure that is now existing, at any rate, by virtue of our passing the Banking Companies Act, has to be examined and revised if necessary so that any advice that is given by the Reserve Bank would have evidential value in any matter that arises in connection with a banking company, either of transference of assets, or liquidation or reduction of capital or any proceedings of that character. Therefore, I would like to recall the assurance given by a former Finance Minister when the Banking Companies Act was being passed that he would arrange for an enquiry to be made periodically in regard to the effectiveness of that Act and also with a view to see whether any amendments are necessary. I myself remember, because I was more or less connected with the various stages through which the Banking Companies Act in its Bill form passed, that it was one that originated in 1939 and ultimately saw the light of day a year ago, and the changes that were necessary by the passage of time were not adequately made in the enactment that the House approved of. Therefore, I would like the hon. Finance Minister to give his attention to this matter though I know his preoccupations are many and it is hardly possible for him to give any time to these matters of small importance as they might seem in the larger setting of Governmental exigencies. My hon. friend might perhaps say that the Rural Banking Enquiry Committee has already submitted its report. But, I feel that the terms of reference to that committee were rather narrow and it does not take a panoramic view of the banking needs of this country. Therefore further investigation would not only be opportune, but is also very necessary.

On the other question namely in regard to the Imperial Bank, about which, as my hon. friend said, the Select Committee was very concerned, I am grateful to my hon. friend for having given an assurance that immediately he is free of his preoccupations, it is his intention to examine the recommendations of the Reserve Bank on the Rural Banking Enquiry Committee report. I do not quite see if that is all that has to be done and if something more has not to be done. The Rural Banking Enquiry Committee looked at the position of the Imperial Bank from a very narrow point of view, from the point of the Imperial Bank functioning in such a manner as to increase facilities for rural credit, either by opening of more branches or by the extension of other facilities. What I want my hon. friend the Finance Minister to realise, even at the risk of repetition of this particular fact times without number, not only by myself but by other hon. Members of this House, is that this question of the Imperial Bank of India being

brought under public ownership, or under some kind of more rigid State control than it is under today, is a matter which has a political background. There is no use of the Government or any Member of the Government saying, "Well, we will look at it from the purely economic point of view" when the political background is of great significance. It is one in which every Member practically in this House is vitally interested. It is not only my hon. friend Prof. K. T. Shah who has appended a minute of dissent, but most of us think with him in this matter, that the question which has got a political background, which we think is a matter where our national self-respect has to be vindicated, has got to be taken up by the Government from that background only and not torn from its setting and considered purely as a matter of banking, as a matter with economic possibilities or otherwise. That is an error which my hon. friend the Finance Minister might conceivably slip into. It may be that his advisers might advise him that way. It may be that the Reserve Bank and its Board may tell him that we have to look at it from the purely economic point of view, from the banker's point of view, torn completely from the political background. If his advisers give that advice, if he is tempted to accept that advice and if his Cabinet Colleagues endorse that advice, I would still say that this House will not accept any amendment of the Imperial Bank which does not concede in a vital and large measure the political sentiment which asks for a revision of the Imperial Bank Act and the modification of the terms under which Bank functions. I would utter that word of caution—I will not call it warning, because I am not in a position to utter a word of warning—I would utter that word of caution as a member of the party to which the Government belongs. It is no use either the Reserve Bank or its Directors saying that the Managing Governor of the Imperial Bank may be appointed by the Government. It is no use saying if they feel subsequently that that proposal was unwise, that the Chairman of the Board of the Imperial Bank, may be appointed by the Government. What is necessary is that the control by Government must be real and the control must be full. If the control is left in the hands of those people who are shareholders of the Imperial Bank, and who manipulate the bank's affairs by obtaining proxies—a matter to which I am glad to see the Rural Banking Enquiry Committee has adverted—and using the officials of the Bank to obtain proxies and keeping them in their pockets, by selecting dummy directors to the local boards and automatically dummy directors to the Central Board as well then this House will not be satisfied. Political considerations come legitimately into a matter of this nature and these considerations will have to be taken into account and conceded to a very large extent. This I would like, in all humility to tell the hon. the Finance Minister. I have no doubt that with his vast experience of the Indian mentality in regard to this matter that he must have come across as Governor of the Reserve Bank, and also the experience he has here in this House when he is buffed hither and thither over this amendment or that, he would realise that the House is vitally interested in the fortune of the Imperial Bank primarily from the political point of view, and secondly only from the economic point of view as an institution that should be capable of being used for the economic betterment of this country and for the improvement of the banking conditions in the country.

Madam, with this humble suggestion to the hon. Finance Minister, I support the motion before the House.

Shri C. D. Deshmukh: I do not propose to take the time of the House now in joining issue with Shri Krishnamachari so far as his observations in regard to the investigation of the banking needs of the country are concerned. I am not quite sure what he means, but I am prepared to pass on his observations to the Governor of the Reserve Bank and take counsel with him and see if any kind of coordination is required between the Reserve Bank of India Act and the Banking Companies Act, which I understand is his suggestion.

Now the only other point of importance that he raised is the point of the future of the Imperial Bank. He has exhorted me not to ignore political considerations. Madam, by training and tradition I am not at ease in matters political. I only understand economic matters. I also feel that I should not do anything which, according to me, is not in the real interest of the country. What relation it will have to politics I shall not be in a position to say, and there again I shall have to consult those who are competent to advise me. So I am not in a position to accept or reject his warning. I can only state what my point of view is considering the essential interests of the country according to the best of my lights.

1 P.M. He asked for some factual explanation in regard to the role played by the Reserve

[Shri C. D. Deshmukh]

Bank in the matter of the amalgamation of the assets and liabilities of the Bharat with the Punjab National Bank. I believe the Reserve Bank were consulted informally in the beginning and in the judgment pronounced by the court, which considered this case, it is open to the Reserve Bank, if they think fit, to object to the arrangements which have been arrived at and the matter rests there.

Shri A. C. Guha: Is it not true that the arrangement has been completed and the assets have been transferred?

Shri C. D. Deshmukh: That is right, because it was held that this is not amalgamation in the formal sense. It was thought to be some kind of scheme and under the general powers, I forget the section now, the Reserve Bank may object if they want to. But since the Reserve Bank were already consulted informally I myself consider it very unlikely that they will think it necessary to object.

Shri A. C. Guha: Without the formal sanction. .....

Mr. Chairman: How long can we continue the discussion. The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

The House then adjourned till Half Past Eight of the Clock on Saturday, the 28th April, 1951.